Canadian Food Inspection Agency

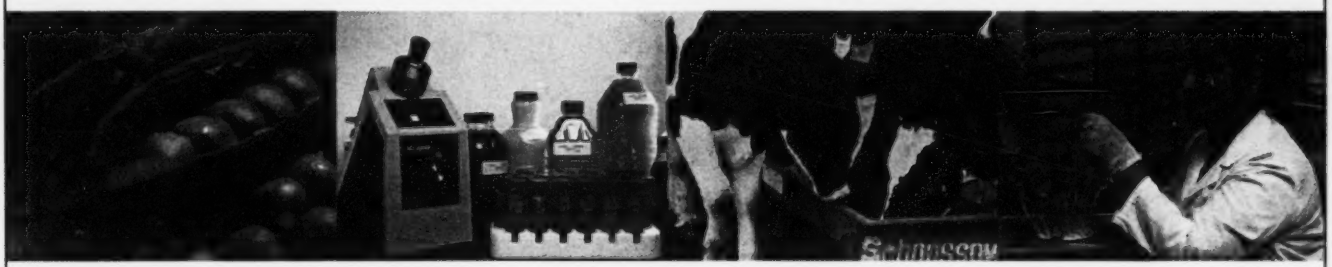
2007–2008

Performance Report

Approved:

The Honourable Gerry Ritz
Minister of Agriculture and Agri-Food and
Minister for the Canadian Wheat Board

Canadian Food Inspection Agency | Agence canadienne d'inspection des aliments



2007–2008

Performance Report

Canadian Food Inspection Agency

For the period ending March 31, 2008

Canada

Table of Contents

1. Agency Overview 1
1.1 Minister's Message 1
1.2 President's Message 3
1.3 Management Representation Statement 4
1.4 Introduction to the Agency 5
1.4.1 Organizational Information 7
1.4.2 Program Activity Architecture 8
1.5 Summary Information 9
1.5.1 Raison D'être 9
1.5.2 Summary of the CFIA's 2007–2008 Performance 9
1.6 Agency's Performance 12
1.6.1 Operating Environment and Context 12
1.6.2 Summary of Performance by Priority 13

2. Analysis of Program Activities by Strategic Outcome 16
2.1 How the Agency Plans and Reports 16
2.1.1 Assessment of Compliance 16
2.1.2 Linking Compliance to Performance Targets 17
2.1.3 Performance Targets 17
2.1.4 Fair and Reliable Performance Reporting 17
2.1.5 Auditor General's Assessment of Performance Information 19
2.2 Performance by Strategic Outcome 23
2.2.1 Strategic Outcome 1: Protection from preventable health risks related to food safety or the transmission of animal diseases to humans 24
2.2.2 Strategic Outcome 2: Protection of consumers through a fair and effective food, animal, and plant regulatory regime that supports competitive domestic and international markets 32
2.2.3 Strategic Outcome 3: A sustainable plant and animal resource base 39
2.2.4 Strategic Outcome 4: Security from deliberate threats to Canada's food supply and agricultural resource base 47

3. Supplementary Information 50
3.1 Special Initiatives and Risk Mitigation Strategies 50
3.1.1 Strategic Outcome 1: Protection from preventable health risks related to food safety or the transmission of animal diseases to humans 50
3.1.2 Strategic Outcome 2: Protection of consumers through a fair and effective food, animal, and plant regulatory regime that supports competitive domestic and international markets 53
3.1.3 Strategic Outcome 3: A sustainable plant and animal resource base 56
3.1.4 Strategic Outcome 4: Security from deliberate threats to Canada's food supply and agricultural resource base 59

3.2 Financial Performance 60
3.2.1 Reporting on Parliamentary Appropriations 60
3.2.2 Auditor General's Audit Opinion on Financial Statements and Audited Financial Statements 68
3.3 Horizontal Initiatives 86
3.4 Internal Audits and Evaluations 89
3.5 Agency Regulatory Plans 91

4. Other Items of Interest 95
4.1 Sound Agency Management 95
4.2 Details of Summary of Performance Results 97
4.3 Key Risks and Challenges 103
4.4 Partners: Roles and Responsibilities 105
4.5 Acronyms 108
4.6 Web Links 110
4.6.1 CFIA Links 110
4.6.2 Other Links 111
4.7 List of Figures 112
4.8 List of Tables 112

1. Agency Overview

1.1 Minister's Message

The Honorable Gerry Ritz
Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board

I am pleased to submit to Parliament the Canadian Food Inspection Agency's (CFIA) *Departmental Performance Report* for 2007–2008.

The health and safety of Canadians is, and always will be, the top priority of the Government of Canada. We are committed to ensuring that we have a strong and rigorous inspection system that protects Canadian families and provides them with the confidence that the food they buy is safe.

I have roots in farming and I know Canadian farmers grow high quality, healthy and safe food for our families. I also know that our food industry takes their food safety obligations seriously. Canada has an excellent, science-based food safety regulatory system that is recognized internationally. However, we must continually improve our system to make it as strong as possible.

In December 2007, the Prime Minister announced the Food and Consumer Safety Action Plan to enhance the safety and reliability of consumer, food and health products. This plan places more emphasis on managing risks along the food continuum and taking quick action. Our initiatives include measures that allow the Agency to proactively monitor high-risk foods, better track importers and imported foods, and respond to issues of non-compliance with increased deterrents and recall capabilities. The Action Plan is supported by a $113 million commitment in Budget 2008.

The CFIA has taken steps to strengthen controls in federally registered food processing plants. While we work hard to prevent problems before they occur, no system can prevent every issue. When food safety issues occur, all aspects of the system are thoroughly reviewed and examined to determine what adjustments and improvements are needed to prevent a reoccurrence.

In addition to food safety, another priority for Canadians is knowing more about the foods they purchase from the grocery store. Canadians told us that when they see "Product of Canada" on a label, they expect the contents of that product to be truly Canadian. We listened and responded with the Canadian Labelling Initiative. In May and June 2008, the Government of Canada held consultations on the proposed new guidelines for "Product of Canada" and "Made in Canada" claims on food labels. The results confirmed overwhelming support for the proposed guidelines. In fact, over 90 per cent of Canadians who took part in the consultations agreed with the new "Product of Canada" policy. The result is that as of December 31, 2008, new food labels will begin to better reflect the Canadian content of food products in today's global marketplace and give our farmers, producers and processors the credit they deserve.

As the CFIA is a science-based regulatory agency, sound science is the foundation of our system. From farm gate-to-plate, the CFIA is dedicated to safeguarding Canada's food supply which includes the livestock and crops upon which safe and high-quality food depends. On that front, the CFIA has been successful in developing and improving methods for detecting pathogens, allergens and chemical residues. In 2007-2008, the CFIA also made significant improvements to ensure it is ready to respond to animal and plant disease outbreaks.

Building on lessons learned from previous outbreaks, the CFIA was successfully able to deal with the avian influenza situation in Saskatchewan and as well, established a vaccine bank to address future AI incidents. The CFIA continued its efforts to eradicate bovine spongiform encephalopathy (BSE) in Canada by implementing the Enhanced Feed Ban. As a result, Canada has achieved "controlled-risk" status in the international community. We also developed a National Animal Health Strategy that not only addresses animal health and welfare, but also takes food safety matters into consideration.

Through its work on the Invasive Alien Species Strategy and other initiatives, the CFIA has taken steps to enhance the intergovernmental cooperation needed to control the entry and domestic spread of regulated plant diseases and pests.

As Minister responsible for the CFIA, I am proud to submit this performance report, which illustrates the progress the Agency has made toward achieving this government's ongoing commitment to improving and protecting the health and well-being of Canadians, our environment and our economy.

I am confident that the Agency, with its skilled and dedicated workforce, will continue to improve our system to meet new challenges.

The Honourable Gerry Ritz
Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board

1.2 President's Message

Carole Swan
President of the Canadian Food Inspection Agency

I am pleased to present the Canadian Food Inspection Agency's (CFIA) *Departmental Performance Report* covering the period from April 1, 2007 to March 31, 2008. The CFIA is responsible for delivering federally mandated programs for food inspection, protecting the health of Canada's plant and animal resource base, and consumer protection as it relates to food. The CFIA is also committed to serving Canadians by working with its partners to protect public health, contribute to economic growth, and protect Canada's environment.

The Agency continues to exercise due diligence by effectively minimizing and managing public health risks associated with the food supply and transmission of animal disease to humans. It also contributes to consumer protection and market access based on the application of science and adherence to international standards. Over the past year, the CFIA conducted food safety investigations and initiated food recalls as part of the CFIA's ongoing commitment to consumer protection.

The Agency remains in a state of preparedness and response for avian influenza and other animal diseases. In 2007–2008, the CFIA successfully responded to the detection of avian influenza in Saskatchewan and led emergency response exercises across the country. These initiatives underscore the value of close collaboration with other federal departments and agencies, the provinces and territories, and industry, in the protection of Canadian health, the economy and the resources upon which Canadians depend.

A major success for the Agency in the past year was the implementation of the Enhanced Feed Ban. Its regulations critically advanced Canada's response to bovine spongiform encephalopathy (BSE), and were a key factor in Canada being recognized by the World Organisation for Animal Health (OIE) as a "controlled risk" country for BSE.

Maintaining proper food safety systems is an ongoing concern which requires sustained domestic and international cooperation among all food safety partners. As one of the key partners in the food safety continuum, the CFIA plays an important role.

As the CFIA enters its second decade, it remains focused on continuing to improve its food safety systems, apply lessons learned, expand its knowledge and intensify its approaches to better protect Canadians.

Carole Swan
President of the Canadian Food Inspection Agency

1.3 Management Representation Statement

The CFIA's *2007–2008 Performance Report* for the year ending March 31st, 2008, was prepared under the direction of the President and the Senior Management Committee of the CFIA and approved by the Minister of Agriculture and Agri-Food Canada. In accordance with the *Canadian Food Inspection Agency Act*, the report also includes an assessment of the fairness and reliability of the performance information conducted by the Auditor General of Canada.

I submit for tabling in Parliament, the 2007–2008 Performance Report for the Canadian Food Inspection Agency.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2007–2008 Estimates: Reports on Plans and Priorities and Departmental Performance Reports.* This document:

- Adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance;
- Is based on the Agency's Strategic Outcomes and Program Activity Architecture that were approved by the Treasury Board;
- Presents consistent, comprehensive, balanced, and reliable information;
- Provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- Reports finances based on approved numbers from the Estimates and the Public Accounts of Canada.

Carole Swan
President

1.4 Introduction to the Agency

The CFIA is Canada's largest science-based regulatory agency responsible for delivering all federally mandated programs for food inspection, plant and animal health products and production systems, and consumer protection as it relates to food. The CFIA's mandate is vast and complex, with responsibilities flowing from 13 federal statutes and 42 sets of regulations.

The sectors regulated by the CFIA include agriculture, agri-food, fish, seafood, plant, nursery, and forestry. Those who benefit from the Agency's services include farmers, fishers, foresters, processors, distributors (importers and exporters), and, ultimately, all Canadian consumers.

Key to the CFIA's success are several interrelated and integral factors: sound science; an effective regulatory base; effective inspection programs; effective risk management; and strong partnerships. In an international context, the CFIA strives to ensure that the international regulatory framework, as it relates to the Agency's mandate, is strong, coherent, and science-based.

Sound Science

The CFIA relies on science as the basis for designing and delivering its programs and making regulatory decisions. Science is pivotal to dealing with emerging issues such as safety assessments of new biotechnology-derived products and issues related to avian influenza and BSE. The specific activities for which the CFIA needs and uses science to support its daily work include laboratory activities, risk assessment, surveillance, research, and technology development. The Agency also analyzes scientific research data and other information to provide technical advice and intelligence that enables CFIA officials to identify and prepare for emerging issues. The CFIA's scientific expertise contributes to regulatory policy and standards development, not only in Canada, but worldwide.

THE CFIA'S LEGISLATIVE AUTHORITY

- *Agriculture and Agri-Food Administrative Monetary Penalties Act*
- *Canada Agricultural Products Act*
- *Canadian Food Inspection Agency Act*
- *Consumer Packaging and Labelling Act* (as it relates to food)
- *Feeds Act*
- *Fertilizers Act*
- *Fish Inspection Act*
- *Food and Drugs Act* (as it relates to food)
- *Health of Animals Act*
- *Meat Inspection Act*
- *Plant Breeders' Rights Act*
- *Plant Protection Act*
- *Seeds Act*

An Effective Regulatory Base

For a regulatory regime to be effective, legislation must be clear, enforceable, fair, and consistently applied. The CFIA is continually reviewing its legislative authorities and looking for ways to update its regulatory base in order to strengthen its ability to contribute to public policy objectives, taking into account the domestic and international environment in which the Agency undertakes its responsibilities.

The CFIA represents Canada at international standard-setting bodies for food safety, animal health, and plant health issues. In addition to domestic regulation, the Agency is responsible for regulating both imported and exported products, and its actions are disciplined by

international obligations, primarily through the *Agreement on Sanitary and Phytosanitary Measures*[1] of the World Trade Organization (WTO). Additionally, the Agency conducts a broad range of activities in this regard with international bodies such as the World Organisation for Animal Health (Office International des Epizooties – OIE), Codex Alimentarius, and International Plant Protection Convention to name a few. Section 4.4 provides a list of all international bodies with whom the CFIA engages.

Effective Inspection Programs

Products that may be subject to inspection or certification by the CFIA range from seeds, feeds, and fertilizers, to fresh foods—including meat, fish, eggs, dairy products, fruit, and vegetables—and prepared and packaged foods. The Agency sets or upholds standards and establishes compliance and enforcement priorities based on strategies for managing risk. Compliance with applicable acts and regulations is assessed through inspections, audits, product sampling, and verifications. To help industry comply with statutory requirements and standards, the CFIA carries out education and awareness activities that are intended to clarify and increase their understanding. Where non-compliance is identified, the CFIA uses a broad range of enforcement approaches from verbal and written warnings to administrative monetary penalties and prosecution. Critical to effectively fulfilling the CFIA's mandate is the ongoing design, development, and review of inspection-related tools and processes.

Effective Risk Management

Recognizing the CFIA's vast and diverse mandate, the Agency uses prudent risk management to optimally allocate resources and make decisions related to long-standing and emerging issues. The CFIA's Corporate Risk Profile provides a framework for identifying risks and for developing strategies for managing risks across the range of its mandate. See Section 4.3 for a detailed description of the CFIA's key risks and challenges.

Strong Partnerships

To effectively deliver on its broad mandate, the CFIA must partner regularly with various federal, provincial, and municipal government departments; and work with diverse regulated sectors of industry, producers, international counterparts, and consumer organizations.

THE CFIA'S KEY FEDERAL PARTNERS

- Health Canada
- Agriculture and Agri-Food Canada
- Public Health Agency of Canada
- Canadian Grain Commission
- Public Safety Canada
- Canada Border Services Agency
- Fisheries and Oceans Canada
- Natural Resources Canada, including Canadian Forest Service
- Foreign Affairs and International Trade Canada
- Environment Canada, including Canadian Wildlife Service

[1] Sanitary and Phytosanitary (SPS) Measures and Agreement: These are measures to protect human, animal, and plant life, or health and to ensure that food is safe to eat. For more information on the WTO Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement) visit the website: **http://www.wto.org/english/tratop_e/sps_e/spsagr_e.htm**

1.4.1 Organizational Information

The CFIA is led by a President, who reports to the Minister of Agriculture and Agri-Food. The Agency has an integrated governance structure whereby all branch heads have specific accountabilities that contribute to the achievement of each of the CFIA's strategic objectives. Figure 1 depicts the reporting structure within the CFIA.

With its headquarters in the National Capital Region, the CFIA is organized into four operational areas (Atlantic, Quebec, Ontario, and Western) that are subdivided into 18 regional offices, 185 field offices (including border points of entry) and 408 offices in non-government establishments (such as processing facilities). The Agency also has 15 laboratories and research facilities that provide scientific advice, develop new technologies, provide testing services, and conduct research. Figure 2 illustrates the CFIA's locations across the country.

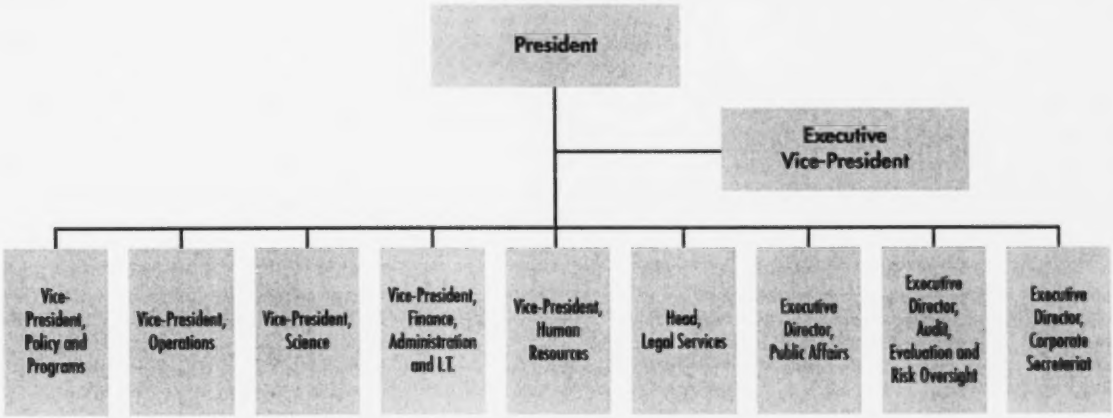


Figure 1: CFIA's Organizational Chart

Figure 2: CFIA Area and Regional Offices

1.4.2 Program Activity Architecture

In accordance with requirements of the Treasury Board of Canada Secretariat (TBS), the CFIA uses the Program Activity Architecture (PAA) and associated Management Resources and Results Structure (MRRS) as the framework for planning and reporting. The PAA presents the CFIA's key Strategic Outcomes, the associated Program Activities, and Expected Results. The Agency is in the process of reviewing and modernizing its PAA/MRRS to ensure it remains relevant as the Agency, and the environment in which it operates, evolves.

The PAA/MRRS, as illustrated in Figure 3, forms the basis upon which this Performance Report is structured and provides the "map" against which Expected Results are reported. It also reflects how the Agency allocates and manages its resources in order to achieve these Expected Results. Priorities are identified and reviewed periodically to facilitate effective resource management in support of the PAA framework and the Agency's Strategic Outcomes.

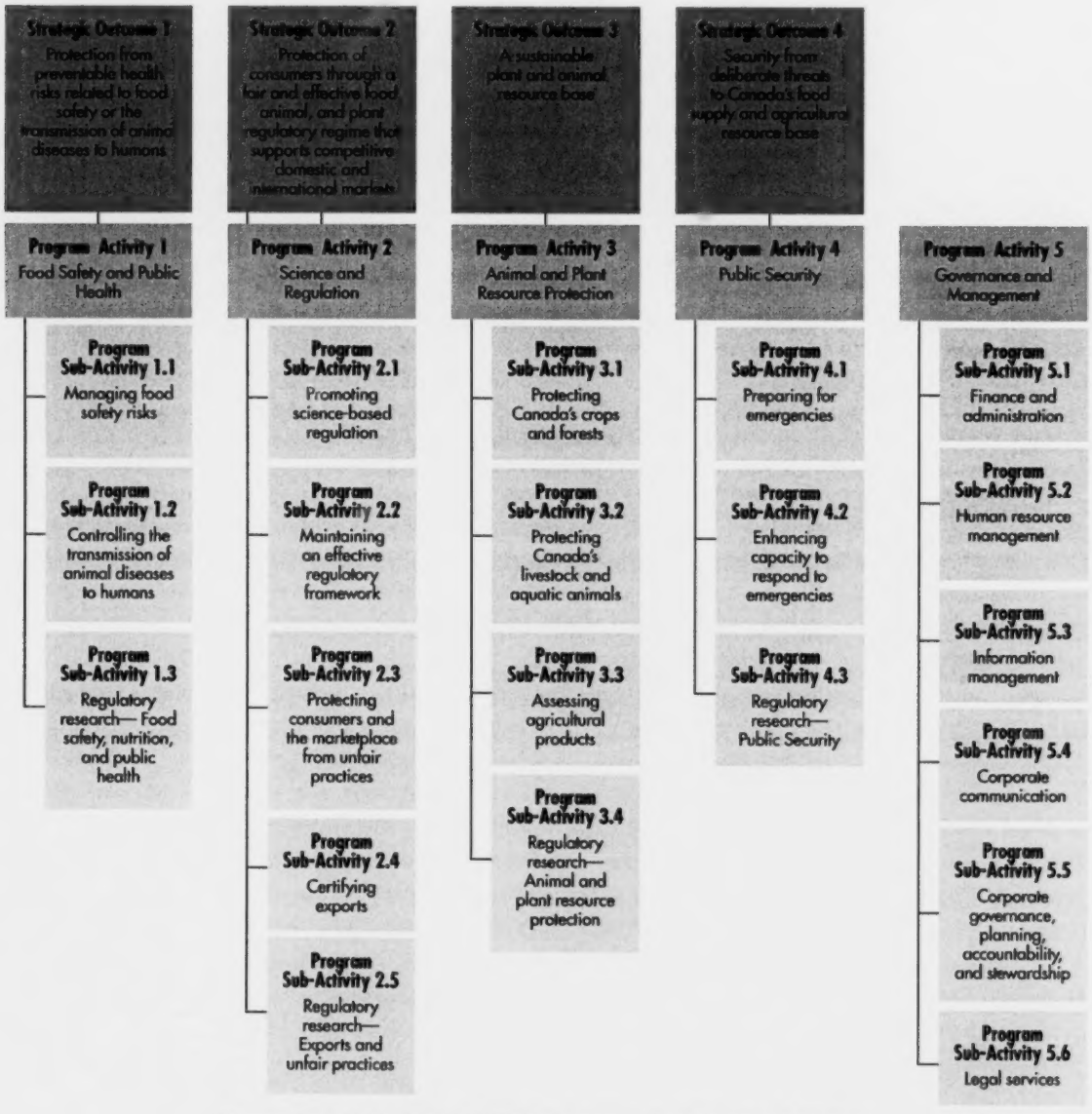

Strategic Outcome 1
Protection from preventable health risks related to food safety or the transmission of animal diseases to humans
Strategic Outcome 2
Protection of consumers through a fair and effective food animal, and plant regulatory regime that supports competitive domestic and international markets
Strategic Outcome 3
A sustainable plant and animal resource base
Strategic Outcome 4
Security from deliberate threats to Canada's food supply and agricultural resource base
Program Activity 1
Food Safety and Public Health
Program Sub-Activity 1.1
Managing food safety risks
Program Sub-Activity 1.2
Controlling the transmission of animal diseases to humans
Program Sub-Activity 1.3
Regulatory research— Food safety, nutrition, and public health
Program Activity 2
Science and Regulation
Program Sub-Activity 2.1
Promoting science-based regulation
Program Sub-Activity 2.2
Maintaining an effective regulatory framework
Program Sub-Activity 2.3
Protecting consumers and the marketplace from unfair practices
Program Sub-Activity 2.4
Certifying exports
Program Sub-Activity 2.5
Regulatory research— Exports and unfair practices
Program Activity 3
Animal and Plant Resource Protection
Program Sub-Activity 3.1
Protecting Canada's crops and forests
Program Sub-Activity 3.2
Protecting Canada's livestock and aquatic animals
Program Sub-Activity 3.3
Assessing agricultural products
Program Sub-Activity 3.4
Regulatory research— Animal and plant resource protection
Program Activity 4
Public Security
Program Sub-Activity 4.1
Preparing for emergencies
Program Sub-Activity 4.2
Enhancing capacity to respond to emergencies
Program Sub-Activity 4.3
Regulatory research— Public Security
Program Activity 5
Governance and Management
Program Sub-Activity 5.1
Finance and administration
Program Sub-Activity 5.2
Human resource management
Program Sub-Activity 5.3
Information management
Program Sub-Activity 5.4
Corporate communication
Program Sub-Activity 5.5
Corporate governance, planning, accountability, and stewardship
Program Sub-Activity 5.6
Legal services

Figure 3: CFIA's 2007–2008 Program Activity Architecture

1.5 Summary Information

1.5.1 Raison D'être

With close to 7,000 dedicated professionals working across Canada, the CFIA is committed to serving Canadians by protecting public health, contributing to economic growth, and protecting Canada's environment.

1.5.2 Summary of the CFIA's 2007–2008 Performance

The Agency contributes to its strategic outcomes and priorities by allocating and managing resources among five program activities.

Table 1–1 provides a high-level overview of the Agency's financial and human resources allocation and usage.

Table 1–2 provides a summary of the CFIA's overall performance against strategic outcomes, priorities, and spending. The Agency considers to have successfully met its expected results for each priority when progress has been made on all commitments outlined in the *2007–2008 Report on Plans and Priorities*, and most (≥80%) of the corresponding performance targets have been met where targets exist. Section 1.6.2 provides further details of performance by priority and Section 2 elaborates on detailed performance by strategic outcome.

Table 1–1: Financial and Human Resources Managed by CFIA

Financial Resources ($ millions)		
Planned Spending	**Total Authorities**	**Actual Spending**
639.4	714.3	681.3
Human Resources (Full-time Equivalents – FTEs[2])		
Planned	**Actual**	**Difference**
6,464	6,327	137

[2] The calculation of a full-time equivalent (FTE) differs from the calculation of an employee in that the former considers part-time employment, term employment, job sharing, and would combine, for instance, two-half time employees into a single FTE.

Table 1–2: Linking Performance to Strategic Outcomes and Priorities

Status on Performance 2007–2008			Planned Spending ($ millions)	Actual Spending ($ millions)
Strategic Outcome 1: Protection from preventable health risks related to food safety or the transmission of animal diseases to humans				
Program Activity: Food Safety and Public Health Expected results: • Food leaving federally registered establishments for inter-provincial and export trade or being imported into Canada is safe and wholesome. • Food safety incidents in non-federally registered facilities and food products produced in them are addressed. • Food safety recalls and incidents are contained in a timely and appropriate manner. • Animal diseases that are transmissible to humans are effectively controlled within animal populations. • Decision making related to food safety, nutrition, and public health is supported by sound, sufficient, and current Agency regulatory research.[3]	**Priority One:** Improving regulatory compliance (Ongoing)	Successfully met expectations	352.4	405.9
	Priority Two: Continuing with the CFIA's high state of preparedness and response for avian influenza and other zoonotic and plant diseases and pests (Ongoing)	Successfully met expectations		
Strategic Outcome 2: Protection of consumers through a fair and effective food, animal, and plant regulatory regime that supports competitive domestic and international markets				
Program Activity: Science and Regulation Expected results: • The Agency contributes to the development and implementation of international rules, standards, and agreements through international negotiations.[4] • Transparent, outcome-based, and science-based domestic regulatory framework is maintained.[4] • The Agency applies sound and current science to the development of national standards, operational methods, and procedures.[4] • Deceptive and unfair market practices are deterred. • Other governments' import requirements are met. • Decision making related to regulatory development and review, deterring unfair practices, and export is supported by sound, sufficient and current Agency regulatory research.[3]	**Priority One:** Improving regulatory compliance (Ongoing)	Successfully met expectations	93.7	74.0
	Priority Three: Supporting the agenda for innovation competitiveness and productivity (Ongoing)	Successfully met expectations		
	Priority Four: Moving forward on key regulatory initiatives (Ongoing)	Successfully met expectations		

[3] The CFIA Performance Measurement Framework has evolved significantly since the publication of its 2007–2008 RPP. Results for regulatory research aim to support, sound risk-based decision making policy development and implementation, and program delivery across all Agency programs. Regulatory research reporting, therefore, is included where appropriate with the other expected results for this program activity.

[4] The CFIA Performance Measurement Framework has evolved significantly since the publication of its 2007–2008 RPP. The CFIA acknowledges that international engagement, application of current and sound science, and maintenance of a transparent, outcome-based, and science-based regulatory framework form part of Agency activities, and may not be considered expected results. These expected results have been removed from the 2008–2009 Performance Measurement Frameworks. For the 2007–2008 reporting period, the performance indicators identified in the 2007–2008 RPP have been removed.

Status on Performance 2007–2008			Planned Spending ($ millions)	Actual Spending ($ millions)
Strategic Outcome 3: A sustainable plant and animal resource base				
Program Activity: Animal and Plant Resource Protection Expected results: • Entry and domestic spread of regulated plant diseases and pests are controlled. • Industry complies with federal acts and regulations concerning Canada's crops and forests. • Entry and domestic spread of regulated animal diseases are controlled. • Industry complies with Acts and Regulations regarding Canada's livestock. • Agricultural products meet the requirements of federal acts and regulations. • Decision making, including regulations, in regard to animal and plant health is supported by sound, sufficient, and current Agency regulatory research.[3, page 10]	**Priority One:** Improving regulatory compliance (Ongoing)	Did not meet expectations	111.7	160.9
	Priority Two: Continuing with the CFIA's high state of preparedness and response for avian influenza and other zoonotic and plant diseases and pests (Ongoing)	Successfully met expectations		
	Priority Four: Moving forward on key regulatory initiatives (ongoing)	Successfully met expectations		
Strategic Outcome 4: Security from deliberate threats to Canada's food supply and agricultural resource base				
Program Activity: Public Security Expected Results: • The Agency is in a state of readiness for an effective rapid response to emergencies. • The Agency has the capacity to respond to emergencies. • Decision making related to public security is supported by sound, sufficient, and current Agency regulatory research.[3, page 10]	**Priority Two:** Continuing with the CFIA's high state of preparedness and response for avian influenza and other zoonotic and plant diseases and pests (Ongoing)	Successfully met expectations.	81.6	40.5
Providing Sound Agency Management in support of CFIA's Strategic Outcomes				
Program Activity: Governance and Management Expected Results: • Based on assessment against MAF indicators and measures of management practice.	**Priority Five:** Continued management of the CFIA corporate agenda	Successfully met expectations	N/A[5]	N/A

[5] Resources attributable to "Governance and Management" have been allocated proportionally to the four strategic outcomes that comprise the CFIA's Program Activity Architecture.

1.6 Agency's Performance

1.6.1 Operating Environment and Context

The CFIA's operating context is evolving, and the scope of activities under its mandate is expanding. In comparison to when it first became an agency in 1997, the CFIA faces an increasingly complex working environment amplified by a number of factors.

Globalization

Economically, socially, culturally, technologically, politically, and ecologically, the world is more connected than ever before. Markets have become progressively interconnected and borders more porous. This increased global dependence and integration has had several tangible effects on CFIA-related activities.

Since the Agency's creation in 1997, imports and exports of products subject to CFIA regulation have increased by 45.6 percent.[6] The import of food into Canada is on the rise; an increasing proportion of which is coming from developing countries and emerging trading partners. In addition, increased exports of CFIA-regulated commodities mean greater demands on the CFIA for export-related inspection and certification.

Global supply chains have fundamentally changed the way in which food, plant, and animal commodities are produced, processed, packaged, distributed, and sold. Ingredients come from around the world, and finished products are distributed globally, broadening the potential scope and impact of failures in food safety control systems. In addition, the task of tracking ingredients has become more difficult. The increasing and diverse trade in agricultural commodities also poses higher risks to both plant and animal health by providing more pathways for the unintentional flow of pests and pathogens.

Population Demographics

Immigration continues to rise and has accounted for approximately 60 percent[7] of Canada's population growth since the year 2000. The changing face of Canada has translated into demands for a greater variety of ethnic and imported foods from an increasing number of countries.

Our aging population is also a consideration. The elderly are more susceptible to foodborne pathogens, and there is more demand for food fortification and nutrient supplements.

Evolving Consumer Preferences

Canadian consumer demands for food products are shifting as a result of changing demographics, lifestyles, eating patterns, and an increased focus by consumers on the food they buy and provide to their families. Busy families are seeking more convenient foods and ready-to-eat products ranging from bagged salads to fresh entrées. A growing number of consumers are demanding healthy food choices and greater variety, regardless of the season. Consumers are also demanding informative labels that allow them to make choices about nutrition as well as production methods, such as organics.

Evolving Federal Science and Technology

The Government of Canada is committed to strengthening the effectiveness of its investments in science and technology (S&T) to ensure Canadians benefit from scientific innovation and that Canada continues to have a competitive advantage.

In May 2007, the Government of Canada released its S&T strategy, *Mobilizing Science and Technology to Canada's Advantage*, which sets out a multi-year framework for a creating a business environment that encourages the private sector to innovate, and for guiding intelligent strategic investments of public funds. The strategy underscores the importance of S&T in the development of regulations and policy.

[6] Source: World Trade Atlas.

[7] Source: Statistics Canada, 2006 Census.

In the future, numerous challenges will drive more integrated approaches and multi-stakeholder collaboration in federal science activities. These challenges include the increasing complexity of scientific issues, multidisciplinary science in emerging fields, emphasis on interrelated policy priorities, and limited public resources. Additional challenges include the retirement of a significant number of public service scientists in the next five years and difficulties in attracting bright, young scientists to federal research.

A More Complex Trading Environment

Increasingly, sanitary and phytosanitary negotiations, requirements of international trade agreements, and demands of trading partners, play a key role in the trade of agriculture and food products. Globalization, increasing trade volumes, changing consumer demands, higher international standards, and new production practices, combined with high-profile food and product recalls, have raised international public concern about the safety of food products traded around the world. These concerns have translated into greater regulatory requirements for many Canadian exporters and importers and additional requirements for CFIA intervention to facilitate trade.

In responding to these demands, where appropriate, the CFIA seeks out cooperation with trading partners to develop compatible regulations while maintaining the highest level of health, safety, and environmental protection.

1.6.2 Summary of Performance by Priority

The CFIA has established five priorities to guide management of resources towards achieving its Strategic Outcomes. The Agency's performance with respect to achieving these priorities is summarized below. Section 2 elaborates on detailed performance by strategic outcome.

Priority One: Improving regulatory compliance

The Agency focused on three main thrusts to advance work under this priority:

- Focusing inspection activities within the federally registered sector on areas with a history of lower compliance, while ensuring prudent oversight of those areas where performance has been favourable.
- Building and maintaining strong partnerships with Provinces, Territories, and other stakeholders to effectively manage the non-federally registered sector.
- Increasing public outreach activities to advance awareness and understanding of Canada's food safety system.

Although overall performance against established compliance targets in the federally registered sectors remained consistent with past years, CFIA's focused approach to improving compliance has resulted in some improvements to compliance in areas where targets have not historically been met.

CFIA advanced its efforts on ensuring that food safety information is made available to Canadians. Ongoing food safety outreach activities included publishing public warnings on the internet and providing e-mail and web feed notifications, press releases and priority campaigns for high risk food recalls providing Canadians with timely information to make informed decisions.

Links to Government of Canada Outcomes:
- Healthy Canadians
- Strong economic growth

Priority Two: Continuing with the CFIA's high state of preparedness and response for avian influenza (AI) and other zoonotic and plant diseases and pests

The Agency continued its long-standing efforts to enhance its state of preparedness and ability to respond to animal and plant health issues. The Agency focused on a number of key areas to advance this priority in 2007–2008.

- In response to increasing pressure on Canada's plant health status, the CFIA developed and presented a National Plant Biosecurity Framework to support the National Plant Health Strategy.
- In addition to the continuation of proactive surveillance activities for BSE and AI, several advancements were made to improve emergency preparedness. Notable for this year is the establishment of a national veterinary reserve to assist in the event of an animal health emergency, the establishment of a vaccine bank for AI, and the advancement of work toward a business case to implement a national traceability portal.
- Canada also continued work with the United States and Mexico on regulatory aspects of the North American Security and Prosperity Partnership (SPP), with a focus on the elimination of redundant testing and certification requirements. A key success was the harmonization of standards to facilitate the export of breeding cattle to Mexico and a mechanism between Canada and the United States to coordinate and exchange information on food safety investigations.

Links to Government of Canada Outcomes:
- Healthy Canadians
- Strong economic growth

Priority Three: Supporting the agenda for innovation, competitiveness and productivity

The CFIA plays a significant role in ensuring that Canadian producers and processors can compete in a global economy by facilitating the import and export of food products. The CFIA's efforts contribute to open trade, and to a fair and transparent marketplace for Canadian consumers.

In 2007–2008, the Agency focused on a number of key areas to advance this priority.

- With CFIA as the lead, Canada was among the first to document a *National Animal Health Strategy*. The Strategy addresses food safety, animal health, animal welfare, and environmental protection throughout the animal's entire lifespan. In addition, the CFIA delivered on its commitment to maintain aquatic animal health by conducting national stakeholder consultations and reviewing regulations supporting the *Health of Animals Act*.
- The Agency also advanced improvements to Canada's meat inspection system in order to achieve clearer industry accountability through the successful expansion of the Hazard Analysis Critical Control Points (HACCP) approach to all federally registered meat establishments. The Agency also drafted a new Canadian Meat Hygiene Standard, which, once finalized, will serve as a framework to enable government to continue to verify, in an effective way, that safe meat products are produced.

Links to Government of Canada Outcomes:
- A fair and secure marketplace
- Strong economic growth

Priority Four: Moving forward on key regulatory initiatives

In 2007–2008, the CFIA continued its ongoing efforts to modernize and improve regulations and to promote international science-based standards for world trade in food, animals, and plants.

- The Agency has been working with industry to identify and reduce unnecessary regulatory burden, directly contributing to the implementation of the Government of Canada's *Cabinet Directive on Streamlining Regulations* (formerly Smart Regulations). The CFIA also continued preparations for implementation of the *Organic Products Regulations*.
- A major success for 2007–2008 was the successful implementation of the Enhanced Feed Ban (EFB). The EFB regulations are a critical advancement in Canada's response to BSE and a key factor in Canada being recognized by the OIE as a 'BSE controlled risk' country.
- Lastly, recognizing the need to minimize administrative and undue regulatory pressures, the CFIA made significant advancements in its contribution to the Government of Canada's Paper Burden Reduction Initiative. The Agency successfully identified a 20 percent target for the reduction of non-essential, administrative requirements, and for the streamlining of policies and guidelines. Implementation of these reductions is underway.

Links to Government of Canada Outcomes:
- A fair and secure marketplace

Priority Five: Continued management of the CFIA corporate agenda

Sound management practices and good governance are the cornerstone for successful program delivery. The CFIA has been commended by TBS for its excellence in management practices, and for meeting its accountabilities related to the delivery of its core mandate and program delivery.

The CFIA's management practices are assessed annually as part of the Government of Canada's Management Accountability Framework (MAF) assessment process. In 2007–2008, CFIA continued to perform well in its MAF assessment, receiving 5 "Strong", 12 "Acceptable" and 3 "Opportunities for Improvement" ratings from the TBS MAF V Assessment. The Agency develops a yearly MAF Action Plan to re-dress the areas with an opportunity for improvement rating, as well as other areas of management that have received an Acceptable rating but where the Agency seeks excellence. The Agency is currently working on its annual Action Plan to improve upon its overall ratings. Further details regarding CFIA's MAF assessment can be found in Section 4.1.

Lastly, in 2007–2008 the Agency focused on Human Resource Renewal as a key corporate priority with employee consultations and the release of its *HR Renewal Strategy* in early 2008.

Links to Government of Canada Outcomes:
- Government Affairs/Accountability

2. Analysis of Program Activities by Strategic Outcome

2.1 How the Agency Plans and Reports

In accordance with TBS's *Management, Resources and Results Structure Policy*, the CFIA's planning and reporting framework is based on strategic outcomes, a Program Activity Architecture (PAA), and the associated Performance Measurement Framework.

Presentation of *CFIA's 2007–2008 Performance Report* is aligned with the Agency's PAA. This Performance Report highlights key accomplishments and reports on progress made in advancing the plans and priorities identified in the Agency's *2007–2008 Report on Plans and Priorities* (RPP). Under each strategic outcome and program activity, performance is reported on ongoing activities, risk mitigation strategies and special initiatives, with a focus on expected results for Canadians.

Section 2.2 of this report describes, where possible, performance information and expected results for each strategic outcome measured against targets using compliance and other relevant performance indicators.

2.1.1 Assessment of Compliance

As a regulatory agency, the CFIA sets legislative and regulatory requirements and measures the rates of compliance achieved by regulated parties with those requirements. Compliance rates are an indicator of the extent to which regulated parties have adhered to federal acts and regulations. A compliance rate of less than 100 percent means that, some proportion of the facilities or products inspected by the CFIA have failed to meet requirements.

The CFIA promotes compliance by conducting inspections, audits, product sampling, and verifications. The CFIA also carries out education and awareness activities to increase regulated parties' understanding of statutory and regulatory requirements.

When CFIA inspectors determine that a responsible party is non-compliant, the establishment is required to correct the related procedure, product or deficiencies. Serious deficiencies are corrected on a priority basis and in some cases, such as in federally registered food establishments, production is stopped and/or products are recalled from the marketplace. Non-compliant facilities are subject to re-inspection to confirm that they have taken corrective steps identified by inspectors. If deficiencies still exist in non-compliant facilities, Agency inspectors have the option of suspending or revoking facility registration and/or taking prosecution action.

The CFIA employs three approaches to assessing compliance. These include:

- The CFIA inspects establishments and tests products which result in compliance rates that represent the populations regulated by the CFIA. Monitoring programs provide an accurate overview of compliance in the marketplace in general.
- In cases where monitoring has identified specific compliance problems affecting certain regulated parties, certain facilities, certain food sectors or specific aspects within the food continuum, the CFIA takes a targeted approach to inspections, sampling and testing by focusing on the problem area or on areas of highest risk. Non-compliant establishments or products are often sought out for the targeted approach to better define problems and reasons for non-compliance. For this reason, compliance rates of targeted programs are typically lower than the marketplace in general.
- Normally applying only to very specific cases and to implicated parties, compliance is assessed for the purposes of prosecution for non-compliance. Investigations involve gathering evidence and information from a variety of sources considered relevant to a suspected violation or offence.

The compliance approach chosen by the CFIA is based on risk. Where compliance rates appear in this report, the approach used to assess compliance is noted.

2.1.2 Linking Compliance to Performance Targets

Performance targets set the "bar" for overall compliance across the range of the CFIA's programs. In some instances, the CFIA has set performance targets under 100 percent to account for the Agency's risk-based inspection approach, which focuses effort on areas of highest risk.

The CFIA works toward seeking that regulated parties achieve fullest compliance with program, regulatory and legislative requirements. However, given the complexity and inherent variability of the agri-food and fisheries production, processing, and distribution sectors, some degree of non-compliance is inevitable. Given its risk-based approach, the CFIA focuses its efforts on systems, processes, and facilities that have the most direct effect on safety of food. The CFIA's working assumption is that as industry improves compliance, food safety risks will diminish.

2.1.3 Performance Targets

Performance targets provide a basis for measuring the performance of regulated parties and the CFIA against expected results set by the Agency. Targets used in this Performance Report were established in 2005–2006 for all critical program areas based on either historical averages of actual performance or on expected results of effective programming (e.g., rate of industry compliance with regulatory standards). For the purposes of this report, we have assessed the extent to which performance has been met or exceeded and identified opportunities for improvement when performance has fallen below the target. In terms of compliance rates, the CFIA considers performance +/- 1% to be considered met.

When interpreting performance information, it is important to consider that the CFIA uses various approaches to assess compliance ranging from monitoring activities to targeted interventions. Targets for monitoring programs are set differently than those for target specific areas of non-compliance.

Throughout the report, the target symbol is used to identify performance information and analysis for each of the Agency's ongoing fiscal targets.

2.1.4 Fair and Reliable Performance Reporting

The CFIA is committed to ensuring the quality and integrity of its data and to providing fair and reliable performance information. Performance data in the Agency are collected and managed using different methods and procedures, thus placing constraints on data quality. To this end, the Agency is continuing to look at ways to improve upon the overall efficiency and quality controls around performance data with a view to providing consistent data for performance reporting.

As a first step in this process, in 2006–2007, the Agency conducted a review of certain data systems and the management controls in place to ensure data quality. Table 2–1 highlights the Agency's Rating Summary of Data Systems & Process Controls for the data used in this report, where assessments have been completed.

Where reviews have not been completed, data has been noted as "Pending" and readers are advised to take this into consideration when interpreting that data. The Agency will continue to review remaining data systems, improve upon management controls, and present those findings in future Performance Reports.

Table 2–1: Overview of Data Systems and Process Controls Ratings

Data Systems and Process Controls Rating	Definition	Number of Data Systems and Process Controls
Good	Has clearly defined policies and procedures in place	14
Reasonable	Has compensating controls in place to make up for lack of defined policies/procedures	8
Weak	Has no defined policies/procedures or compensating controls in place	1
Pending	Review of data system has not yet been completed	16

2.1.5 Auditor General's Assessment of Performance Information

The Auditor General's assessment of CFIA's performance information is presented in Section 2.1.5 of this report. This performance information, which is presented in Section 2.2, has not been audited; the assessment is done only at a review level of assurance.

The Auditor General's audit opinion on the CFIA financial statements is presented in Section 3.2.2 of this *Performance Report*. The audited statements are also presented in Section 3.2.2.

The Auditor General has not assessed or audited other sections of this report.

Auditor General of Canada
Vérificatrice générale du Canada

AUDITOR GENERAL'S ASSESSMENT of Performance Information in the Canadian Food Inspection Agency's 2007-08 Performance Report

To the President of the Canadian Food Inspection Agency and the Minister of Agriculture and Agri-Food

What I Assessed

As required by the *Canadian Food Inspection Agency Act*, I have assessed the fairness and reliability of the Agency's performance information for 2007-08 with respect to the objectives established in its corporate business plan.

Management's Responsibility

The performance information reported in the Agency's performance report is the responsibility of management.

My Responsibility

My responsibility is to assess the fairness and reliability of the performance information included in the Agency's performance report against the objectives established in its corporate business plan.

My assessment covered only the specific performance information included in the section of its performance report titled "Analysis of Program Activities by Strategic Outcome". My assessment did not include the objectives set out in the corporate business plan or information referenced by Web links included in the report. My responsibility does not extend to assessing or commenting on the Agency's actual performance.

The Nature of My Assessment

My assessment consisted of a review performed in accordance with the standards for assurance engagements established by the Canadian Institute of Chartered Accountants. The assessment consisted primarily of enquiry, analytical procedures, and discussion related to the performance information. I conducted this assessment using the criteria for the assessment of fairness and reliability described in the Annex.

An assessment based on a review provides a moderate level of assurance and does not constitute an audit. Consequently, I do not express an audit opinion on the Agency's performance information.

Conclusion

Based on my assessment, nothing has come to my attention that causes me to believe that the Agency's performance information for 2007-08, with respect to the objectives established in its corporate business plan, is not, in all significant respects, fair and reliable using the criteria described in the Annex to this report.

Sheila Fraser

Sheila Fraser, FCA
Auditor General of Canada

Ottawa, Canada
22 August, 2008

Annex

CRITERIA FOR THE ASSESSMENT OF FAIRNESS AND RELIABILITY

OFFICE OF THE AUDITOR GENERAL

The following criteria were developed to assess the fairness and reliability of the information about the Agency's performance with respect to the objectives in its corporate business plan. Two key issues were addressed: Has the Agency reported on its performance with respect to its objectives? Is that information fair and reliable? Performance information with respect to objectives is fair and reliable if it enables Parliament and the public to judge how well the entity or program in question is performing against the objectives it set out to accomplish.

FAIRNESS

RELEVANT The performance information reports in context, tangible, and important accomplishments against objectives and costs.

MEANINGFUL The performance information clearly describes expectations and provides benchmarks against which performance is compared.

ATTRIBUTABLE The performance information demonstrates why the program has made a difference.

BALANCED A representative and clear picture of performance is presented, which does not mislead the reader.

RELIABILITY

RELIABLE The performance information adequately reflects the facts

These criteria were developed specifically for the assessment. The Canadian Food Inspection Agency has acknowledged that they were suitable for the assessment.

More information on the criteria is available on our Web site at

http://www.oag-bvg.gc.ca/domino/other.nsf/html/200310frpi_e.html

2.2 Performance by Strategic Outcome

Performance information is based on the CFIA's Program Activity Architecture (Section 1, Figure 3) and aligned with the commitments presented in the CFIA's *2007–2008 Report on Plans and Priorities* (RPP).

In the CFIA's 2007–2008 RPP, the Agency committed to delivering detailed plans in support of strategic outcomes, priorities, and expected results. These plans were a combination of ongoing activities, risk mitigation strategies, and special initiatives. Risk mitigation strategies are targeted initiatives aimed at minimizing and managing risks that could impair the Agency's ability to achieve expected results. In 2007–2008 the CFIA moved forward on 18 key risk mitigation strategies, which are detailed further in Section 3.1 and depicted by the ✦ symbol. Each has been instrumental in the Agency's success in mitigating risks and contributing to its strategic outcomes.

2.2.1 Strategic Outcome 1: Protection from preventable health risks related to food safety or the transmission of animal diseases to humans

Government of Canada Outcome	Healthy Canadians				
Strategic Outcome	Protection from preventable health risks related to food safety or the transmission of animal diseases to humans				
Expected Results	Food leaving federally registered establishments for interprovincial and export trade or being imported into Canada is safe and wholesome	Food safety incidents in non-federally registered facilities and food products produced in them are addressed	Food safety recalls and incidents are contained in a timely and appropriate manner	Animal diseases that are transmissible to humans are effectively controlled within animal populations	Decision making related to food safety, nutrition and public health is supported by sound, sufficient and current Agency regulatory research
Key Strategic Risks	Foodborne Illness			Emergence and/or spread of animal diseases that affect humans (zoonoses)	
2007–2008 Priorities	Improving regulatory compliance			Continuing with the CFIA's high state of preparedness and response for avian influenza (AI) and other zoonotic and plant diseases and pests	
Program Activities	Food Safety and Public Health				

Financial Resources			
Planned Spending ($ millions)	**Authorities ($ millions)**	**Actual Spending ($ millions)**	**Proportion of Actual Agency Spending (%)**
352.4	377.7	405.9	59%
Human Resources			
Planned Resources (FTEs)	**Authorities (FTEs)**	**Actual Resources (FTEs)**	**Proportion of Actual Agency Resources (%)**
3,616	3,641	3,846	61%

Figure 4: Reporting Framework for Strategic Outcome 1

The CFIA contributes to the Government of Canada outcome Healthy Canadians through the advancement of the strategic outcome:

Protection from preventable health risks related to food safety or the transmission of animal diseases to humans.

This Strategic Outcome is supported by one Program Activity: **Food Safety and Public Health**

Protecting human health is the CFIA's highest priority. As a key contributor to the Government of Canada's integrated approach to population health, the CFIA, in partnership with other federal departments and agencies, and provincial and municipal partners, protects Canadians from preventable health risks related to unsafe food or to the transmission of animal diseases to humans ("zoonoses"). Such health risks may be caused by a range of factors including microbial pathogens, undeclared allergens, and chemical contaminants in the food supply or by animal diseases that can be transmitted to humans, such as BSE or AI. Additionally, the CFIA aids consumers by providing information for making safe and healthy food choices and purchasing decisions.

The CFIA measures its performance on this strategic outcome through the achievement of the following expected results:

- Food leaving federally registered establishments for interprovincial and export trade or being imported into Canada is safe and wholesome.
- Food safety incidents in non-federally registered facilities and food products produced in them are addressed.
- Food safety recalls and incidents are contained in a timely and appropriate manner.
- Animal diseases that are transmissible to humans are effectively controlled within animal populations.
- Decision making related to food safety, nutrition and public health is supported by sound, sufficient and current Agency regulatory research.[3, page 10]

Performance against plans and priorities is presented per the CFIA's Program Activity Architecture, under the program activity **Food Safety and Public Health**.

Table 2–2 identifies the CFIA's expected results and performance indicators for this program activity, reports 2007–2008 performance against these expectations, and provides trend information to set performance in context with that of previous years.

Table 2–2: Summary of Performance Information for Food Safety and Public Health

Expected Results	Performance Indicators	Previous Performance		2007–2008 Performance		Met (✓) Not Met (X)
		2005–2006	2006–2007	Performance	Target	
Food leaving federally registered establishments for interprovincial and export trade or being imported into Canada is safe and wholesome.[8]	Extent to which federally registered establishments inspected comply with federal food safety requirements.	3 of 4 targets met	3 of 5 targets met	5 of 5 targets met	≥ 98% compliance	✓ Target met in all 5 programs
	Extent to which domestic and imported food products comply with each test criterion for federal chemical residue requirements.	6 of 7 targets met	5 of 7 targets met	6 of 7 targets met	≥ 95% compliance	Target met in 6 of 7 programs
Food safety incidents in non-federally registered facilities and food products produced in them are addressed.	Extent to which projects are developed to address major health risks identified through the science committee process in the area of chemical, microbiological, allergen and nutritional hazards.[9]	88%	94%	100%	Inspection strategies are developed to address 100% of major health risks identified through the science committees.	✓
Food safety recalls and incidents are contained in a timely and appropriate manner.	Time taken to issue Class I recall public warnings.[10]	100%	100%	100%	100% are issued within 24 hours of a recall decision.	✓
Animal diseases that are transmissible to humans are effectively controlled within animal populations.	BSE sample collection[10]	57,768	55,420	58,177	In full accordance with the guidelines recommended by the World Organisation for Animal Health (OIE).	✓

[8] Foods are considered safe and wholesome when they are free from pathogens, toxins, allergens, pesticides, veterinary drug residues and other contaminants.

[9] Data Systems & Controls: Weak

[10] Data Systems & Controls: Good

Expected Results	Performance Indicators	Previous Performance		2007–2008 Performance		Met (✓) Not Met (X)
		2005–2006	2006–2007	Performance	Target	
Animal diseases that are transmissible to humans are effectively controlled within animal populations.	# of BSE disease incidents[11]	0	0	0	No known cases of BSE that fall outside accepted parameters.	✓
	Extent to which products of federally registered plants comply with SRM removal-related laws and regulations.[12]	97%	97%	97%	≥ 97% compliance	✓
	Extent to which cattle tagging is compliant with the regulations for animal identification.[11]	99%	99%	99%	≥ 97% compliance	✓
Decision making related to food safety, nutrition and public health is supported by sound, sufficient, and current Agency regulatory research.[13]						

Expected Result: *Food leaving federally registered establishments for interprovincial and export trade or being imported into Canada is safe and wholesome.*

To ship certain products interprovincially or internationally, notably meat, fish and seafood, shell eggs, certain processed products, and dairy products, food processing plants must be federally registered. This means that each establishment is subject to a registration process to confirm that critical systems and controls are in place. The CFIA inspects these plants regularly to ensure compliance with federal regulations.

Table 2–2 summarizes performance information for this expected result. Tables 2–3 and 2–4 provide further details on performance by food program. By meeting or exceeding 17 of 18 targets, the CFIA improved its performance from its last reporting period. High levels of compliance in this area during 2007–2008 provide assurance that the risks to food safety in the registered sector were minimized.

[11] Data Systems & Controls: Good

[12] Data Systems & Controls: Reasonable

[13] The CFIA Performance Measurement Framework has evolved significantly since the publication of its 2007–2008 RPP. Results for regulatory research aim to support, sound risk-based decision making policy development and implementation, and program delivery across all Agency programs. Regulatory research reporting, therefore, is included where appropriate with the other expected results for this program activity.

Table 2–3: Federally Registered Establishment Compliance Rates by Food Program

Program	# of federally registered establishments as of March 31, 2008	Results			Targets	Met (✓) Not Met (X)
		2005–2006	2006–2007	2007–2008	2007–2008	
Meat[14]	748	87%	99%	99%	98%	✓
Fish and Seafood[15]	882	99%	99%	99%	98%	✓
Processed Products[14]	560	97%	96%	99%	98%	✓
Shell Egg[15]	245	98%	99%	99%	98%	✓
Dairy[14]	278	86%	97%	100%	98%	✓

Table 2–4: Chemical Residue Testing Compliance by Food Program

Program	Results			Targets	Met (✓) Not Met (X)
	2005–2006	2006–2007	2007–2008	2007–2008	
Meat[16]	96%	97%	96%	95%	✓
Fish and Seafood[17]	98%	96%	95%	95%	✓
Fresh Fruit and Vegetables[16]	99%	97%	95%	95%	✓
Processed Products[16]	99%	100%	99%	95%	✓
Honey[16]	94%	92%	84%	95%	✗
Shell Egg*[16]	93%	87%	97%*	95%	✓
Dairy[16]	99%	99%	97%	95%	✓

* Chemical residue testing is only conducted on shell egg, as these eggs are used in the shell egg market as well as for processing.

[14] Data Systems & Controls: Pending, assessment has not been completed

[15] Data Systems & Controls: Good

[16] Data Systems & Controls: Good

[17] Data Systems & Controls: Reasonable

In addition to inspecting food-processing establishments, the CFIA tests registered commodities to confirm that they comply with applicable food safety standards relating to chemical residues. Health Canada establishes regulations (under the *Food and Drugs Act*) and policies related to chemical residues in foods. The CFIA's monitoring, surveillance, and compliance activities verify industry compliance against these standards. As shown in Table 2–4, high levels of compliance in chemical residue testing during 2007–2008 provide assurance that the risks to food safety in the registered sector from chemical residues were minimized. Additionally, meat compliance rates have increased from 87% in 2005–2006 to 99% in 2007–2008. This is attributable to the introduction of the more demanding Hazard Analysis Critical Control Point (HACCP) system introduced to the meat and slaughter processing industries in December 2005. The lower rates in 2005–2006 indicated that the industry was still adjusting to the new system in its earlier years. The CFIA also introduced new control standards and inspection approaches for dairy in 2005–2006, after which, industry made necessary adjustments. Following the adjustment period, compliance rates have remained consistent for the past two years.

CFIA observed a continued decline in compliance for the Honey Program. Unlike other products listed in Table 2–4, maximum residue levels (MRL), which are established by Health Canada, have not been set for honey. The absence of established MRLs for honey means that any finding of chemical residue is considered a violation of compliance. Compliance rates in 2007–2008 were impacted by changes to the assessment criteria for butyric acid, a chemical used in bee repellents, resulting in more positive test results being considered as violations. Additionally, starting in 2007–2008, more sensitive test methods were used, causing more positive results to be detected. For every violation, the potential impact of the residue on the health of Canadians is assessed. No public health threats have been identified as a result of reduced compliance rates.

In 2007–2008, the CFIA enhanced its ability to safeguard the food supply by improving its ability to detect potential threats to public health. Laboratories are continuously developing and implementing new and improved methods to detect pathogens, toxins, allergens, and pesticide and veterinary drug residues in food more efficiently and effectively.

The Agency made significant progress on information systems and compliance verification measures by improving upon the technical systems that support its regulatory activities. Furthermore, the CFIA continued to build effective relationships with industry and other levels of government to develop and implement key programs such as the On-Farm Food Safety Recognition Program and Hazard Analysis Critical Control Points (HACCP) inspection.

Notwithstanding the successes outlined here, the Agency has identified some challenges and lessons learned. HACCP is mandatory in the fish, seafood, and meat and poultry sectors. Under the quality management program, fish processors have comprehensively implemented HACCP regimes in their facilities. HACCP adoption, on a voluntary basis, continues across all commodity inspection programs, including processed products, eggs, dairy and honey.

> **Expected Result:** *Food safety incidents in non-federally registered facilities and food products produced in them are addressed.*

The non-federally registered food sector covers a wide and diverse range of food products, including but not limited to infant foods, alcoholic beverages, bakery products, bottled water, and beverages. The establishments that produce these products are not federally registered. The jurisdiction for inspection of non-federally registered food establishments is shared between the CFIA and provincial/territorial governments. To this end, the CFIA continues to actively participate in the Federal/Provincial/Territorial Food Safety Committee to enhance food safety surveillance of domestic and imported foods and to improve food safety coverage and measures for the non-federally registered sector.

Integral to assessing non-registered products and facilities in Canada are scientific committees. These committees consist of food safety experts from the CFIA, Health Canada and other federal and provincial departments and agencies. They identify, evaluate and prioritize potential food safety issues. The CFIA's related performance target is to develop inspection strategies to address 100 percent of the major health risks identified through the science committees. In 2007–2008, the CFIA met this target by developing inspection and sampling strategies for known manufacturers and importers of non-federally registered foods identified as a high or medium priority by the science committee.

FOOD AND CONSUMER SAFETY ACTION PLAN

Further to the fall 2007 Speech from the Throne and Budget 2008, the Government is moving forward on its agenda to improve food and consumer product safety with the multi-year implementation of a robust Food and Consumer Safety Action Plan (FCSAP). For its role in the FCSAP, the CFIA will aim to improve food safety by working with industries, provinces and territories to implement preventative food safety control measures along the food chain; put in place tools to better identify importers, track imports and work with foreign authorities to verify the safety of foods at their country of origin; and, increasing the CFIA's authority to monitor risks to Canadians and prevent unsafe products from entering the Canadian marketplace.

Expected Result: *Food safety recalls and incidents are contained in a timely and appropriate manner.*

The Agency develops and implements programs, services, and outreach activities to ensure that food safety emergencies are managed effectively. Food recall, an important component of the CFIA's food emergency response, is aimed at removing from sale and distribution foods that may pose an unacceptable health risk to consumers.

Key to the management of food safety risks is the prompt response of the CFIA to situations requiring a Class 1 recall. A Class 1 recall is carried out when there is a reasonable probability that the consumption of, or exposure to, a food product in violation of standards will cause serious adverse health consequences or death. Health Canada prepares an assessment that indicates there is a risk to the public and warrants a Class 1 recall. Aiming to minimize and mitigate the number of foodborne illnesses, the CFIA makes every effort to issue a public warning within 24 hours of the recall decision. For the third consecutive year, the CFIA met the target 100 percent of the time[18].

In 2007–2008, the CFIA effectively managed several high profile recall incidents including *Escherichia coli* in ground beef, salmonella in cantaloupes, listeria in sandwiches, and salmonella in chocolate. For more information regarding Food Recall incidents please visit the CFIA's website: **http://www.inspection.gc.ca/english/corpaffr/recarapp/recaltoce.shtml**

DID YOU KNOW?

The CFIA's website **(http://www.inspection.gc.ca)** enables you to search by keyword, date, product or company name and browse through food product recalls dating back to 2003. At **http://www.inspection.gc.ca**, you can join the many other Canadians who subscribe to receive the CFIA's e-mail notifications to be kept apprised of food recalls and allergy alerts.

[18] Data Systems & Controls: Good

Expected Result: *Animal diseases that are transmissible to humans are effectively controlled within animal populations.*

To protect the health of Canadians, it is critical that the CFIA carry out timely and effective surveillance, detection, and control activities for zoonotic diseases. When the presence of a reportable disease is confirmed in Canada, the CFIA minimizes the spread of infection by implementing disease-specific biosecurity measures, including quarantines and movement controls. When eradication activities are necessary, the CFIA ensures humane destruction and appropriate disposal of affected animals, thereby minimizing the risk that susceptible livestock are exposed to potential sources of infection.

CFIA continues to place much focus on controlling BSE. CFIA's success in achieving its goals in this area is critical for animal and public health, for domestic and international confidence in the integrity of Canada's food safety programs, and for the economy. In 2007–2008, the CFIA continued efforts to strengthen Canada's response to BSE by introducing the Enhanced Feed Ban (EFB). The EFB is a set of regulations that prohibits certain cattle tissues, which are capable of transmitting BSE from infected animals, from all animal feeds, pet food, and fertilizers.

Table 2–2 presents performance measurements for this expected result.

The CFIA continued its BSE surveillance activities, resulting in the detection of three cases in 2007–2008. As with previous years, the detection of these cases did not change any of Canada's BSE risk parameters and was wholly consistent with the experience of other BSE-affected countries. The detection of three cases is within established guidelines set by the World Organisation for Animal Health (OIE) for countries recognized as "controlled risk" countries, and is therefore not considered as outside accepted parameters. For more information, please visit the following link: **http://www.oie.int/eng/normes/en_mcode.htm**

In the fall of 2007, the CFIA detected a case of the highly pathogenic H7N3 avian influenza on a farm in Saskatchewan. Through the execution of a rapid and well-organized response which included the humane depopulation of the flock, and surveillance and control of the movement of flocks within surrounding areas, the CFIA, successfully contained the spread of the virus. This resulted in minimal disruption to trade and the lifting of most restrictions for the movement of flocks within five weeks after detection of the disease.

THE CFIA RECEIVES INTERNATIONAL RECOGNITION BY THE OIE

In May 2007, the World Organisation for Animal Health (OIE) designated two more CFIA laboratories as international reference labs. Designations have been given for scrapie and chronic wasting disease. The OIE also re-affirmed Canada to be free of two highly contagious diseases of livestock—foot and mouth disease and rinderpest—and recognized Canada as one of six BSE "controlled risk" countries. This classification is testament to the efforts led by the CFIA in conjunction with the provinces and industry over the last four years to address BSE. It further validates the science-based approach the Agency has taken since 2003 including surveillance, food safety protection, and animal identification. A feed ban task force worked closely with key players in the beef industry and all provinces to ensure the smooth roll-out of the new requirements with the hope to eradicate BSE in about 10 years. To learn more about the Agency's new measures and continued efforts to manage BSE, please visit **http://www.inspection.gc.ca/english/anima/heasan/disemala/bseesb/bseesbindexe.shtml**.

2.2.2 Strategic Outcome 2: Protection of consumers through a fair and effective food, animal, and plant regulatory regime that supports competitive domestic and international markets.

Government of Canada Outcome	Fair & Secure Marketplace					
Strategic Outcome	Protection of consumers through a fair and effective food, animal, and plant regulatory regime that supports competitive domestic and international markets					
Expected Results	The Agency contributes to the development and implementation of international rules, standards, and agreements through international negotiations.	Transparent, outcome-based, and science-based domestic regulatory framework is maintained.	The Agency applies sound and current science to the development of national standards, operational methods, and procedures.	Deceptive and unfair market practices are deterred.	Other governments' import requirements are met.	Decision making related to regulatory development and review, deterring unfair practices and export is supported by sound, sufficient, and current Agency regulatory research.
Key Strategic Risks	Domestic Regulatory Framework	International Regulatory Framework		Demand for New/Enhanced Services		Program Design
2007–2008 Priorities	Moving forward on key regulatory initiatives		Improving regulatory compliance	Supporting the agenda for innovation, competitiveness, and productivity		
Program Activities	Science and Regulation					

Financial Resources			
Planned Spending ($ millions)	**Authorities ($ millions)**	**Actual Spending ($ millions)**	**Proportion of Actual Agency Spending (%)**
93.7	99.3	74.0	11%
Human Resources			
Planned Resources (FTEs)	**Authorities (FTEs)**	**Actual Resources (FTEs)**	**Proportion of Actual Agency Resources (%)**
1,336	1,336	729	11%

Figure 5: Reporting Framework for Strategic Outcome 2

The CFIA contributes to the Government of Canada outcome: ***A fair and secure marketplace*** through the advancement of the strategic outcome:

> **Protection of consumers through a fair and effective food, animal, and plant regulatory regime that supports competitive domestic and international markets.**

A fair and secure marketplace is one that is able to maintain and enhance consumer confidence and create a competitive business environment. The CFIA is committed to ensuring that its legislative and regulatory base protects consumers' and producers' rights as well as the natural environment while supporting high standards for a safe, fair, and secure trading system.

The Agency promotes strong, coherent, and science-based regulation, both domestically and internationally. A strong export certification program for food, animals, and plants maintains and enhances consumer confidence abroad, which contributes directly to open borders and economic growth in Canada. The Agency is also committed to actively protecting consumers and the marketplace from unfair practices, such as inaccurate food labelling and misrepresentation of products, and conducts research that will enhance the CFIA's capacity to address these issues.

The CFIA measures its performance of this strategic outcome through the achievement of the following expected results:

- The Agency contributes to the development and implementation of international rules, standards and agreements through international negotiations.[19]
- Transparent, outcome-based and science-based domestic regulatory framework is maintained.[19]
- The Agency applies sound and current science to the development of national standards, operational methods and procedures.[19]
- Deceptive and unfair market practices are deterred.
- Other governments' import requirements are met.
- Decision making related to regulatory development and review, deterring unfair practices and export is supported by sound, sufficient and current Agency regulatory research.[20]

Performance against plans and priorities is presented per the CFIA's Program Activity Architecture, under the program activity, **Science and Regulation**.

This program activity focuses on maintaining the integrity of the CFIA's regulatory policy, inspection, and certification activities as well as developing science-based standards, operational methods, and procedures. The application of science-based rules in a predictable, transparent, and non-discriminatory manner contributes to safe food, healthy plants and animals, and a protected environment. The following table identifies the CFIA's expected results and performance indicators for this program activity, reports 2007–2008 performance against these expectations, and provides trending information to set performance in context.

[19] The CFIA Performance Measurement Framework has evolved significantly since the publication of its 2007–2008 RPP. The CFIA acknowledges that international engagement, application of current and sound science, and maintenance of a transparent, outcome-based, and science-based regulatory framework form part of Agency activities, and may not be considered expected results. These expected results have been removed from the 2008–2009 Performance Measurement Frameworks. For the 2007–2008 reporting period, the performance indicators identified in the 2007–2008 RPP have been removed.

[20] The CFIA Performance Measurement Framework has evolved significantly since the publication of its 2007–2008 RPP. Results for regulatory research aim to support, sound risk-based decision making policy development and implementation, and program delivery across all Agency programs. Regulatory research reporting, therefore, is included where appropriate with the other expected results for this program activity.

Table 2–5: Summary of Performance Information for Science and Regulation

Expected Results	Performance Indicators	Previous Performance		2007–2008 Performance		Met (✓) Not Met (X)
		2005–2006	2006–2007	Performance	Target	
The Agency contributes to the development and implementation of international rules, standards and agreements through international negotiations.[21]						
Transparent, outcome-based and science-based domestic regulatory framework is maintained.[21]						
The Agency applies sound and current science to the development of national standards, operational methods and procedures.[21]						
Deceptive and unfair market practices are deterred.	Extent to which seed establishments and private labs inspected comply with federal requirements.[22]	N/A	99%	99%	≥ 95% compliance	✓
	Extent to which non-pedigreed seed samples comply with CFIA quality standards.[22]	86%	88%	87%	≥ 85% compliance	✓
	Extent to which pedigreed seed samples comply with CFIA quality standards.[22]	92%	93%	93%	≥ 95% compliance	✗

[21] The CFIA Performance Measurement Framework has evolved significantly since the publication of its 2007–2008 RPP. The CFIA acknowledges that international engagement, application of current and sound science, and maintenance of a transparent, outcome-based, and science-based regulatory framework form part of Agency activities, and may not be considered expected results. These expected results have been removed from the 2008–2009 Performance Measurement Frameworks. For the 2007–2008 reporting period, the performance indicators identified in the 2007–2008 RPP have been removed.

[22] Data Systems & Controls: Pending, assessment has not been completed

Expected Results	Performance Indicators	Previous Performance		2007–2008 Performance		Met (✓) Not Met (X)
		2005–2006	2006–2007	Performance	Target	
Deceptive and unfair market practices are deterred.	Extent to which pedigreed seeds tested complies with standards for varietal purity.[23]	99%	98%	99%	≥ 99% compliance	✓
Other governments' import requirements are met	Extent to which certified food shipments meet the receiving country's import requirements[24]	99%	99%	99%	≥ 99% meet requirements	✓
	Extent to which plant export shipments meet the receiving country's phytosanitary requirements.[23]	99%	99%	100%	≥99% of plant export shipments meet the import requirements	✓
Decision making related to regulatory development and review, deterring unfair practices and export is supported by sound, sufficient and current Agency regulatory research[25]						

Expected Result: *The Agency contributes to the development and implementation of international rules, standards and agreements through international negotiations.*

The CFIA works bilaterally and multilaterally with a number of national and international partners to remain at the forefront of scientific developments and to advance sound, science-based decision making. Agency researchers strive to keep abreast of changing technologies and regulatory requirements by developing methods and diagnostic tools that support compliance and enforcement, and participate in negotiation of sanitary and phytosanitary measures that facilitate trade. International rules and standards form the basis for regulating imports and exports of products that could pose a risk to food safety, consumer protection, and animal and plant health.

[23] Data Systems & Controls: Pending, assessment has not been completed

[24] Data Systems & Controls: Good

[25] The CFIA Performance Measurement Framework has evolved significantly since the publication of its 2007–2008 RPP. Results for regulatory research aim to support, sound risk-based decision making policy development and implementation, and program delivery across all Agency programs. Regulatory research reporting, therefore, is included where appropriate with the other expected results for this program activity.

The CFIA's participation in international forums promotes the Canadian experience, objectives, and use of the best available scientific knowledge in the development of international agreements, arrangements and standards. Through harmonization of standards in accordance with the OIE, the Agency made gains for Canada in the resolution of sanitary technical market access issues on breeding cattle exports to Mexico. Concurrently, the Agency ensures that international agreements, arrangements and standards are reflected in standards here in Canada.

> **Expected Result:** *Transparent, outcome-based and science-based domestic regulatory framework is maintained.*

A strong, coherent, outcome-based and science-based health and safety regulatory framework will help Canadian consumers enjoy a wide variety of safe, high-quality products; help protect the environment; and help address impediments to market access using a science base.

The Government of Canada is committed to continuous improvement of the federal regulatory system to make it more transparent, accountable and adaptable to new technologies, emerging threats, and changing public priorities. The CFIA supports this commitment by working in partnership with the Community of Federal Regulators to identify best practices.

The CFIA regulations are regularly reviewed for currency, relevance, and consistency with the Government of Canada's *Federal Regulatory Policy*, which seeks to ensure regulations reflect and are responsive to the needs of Canadians. Further, the Agency coordinates, collaborates, and enters into agreements with other levels of government to ensure Canada's food, animal, and plant inspection systems function harmoniously and support a more effective North American food and agriculture regulatory system.

Engaging stakeholders is central to developing and implementing regulatory frameworks successfully and to ensure regulations are fair, balanced, and responsible to the needs of Canadians and regulated parties. Several Agency groups have used consultative frameworks to advise on regulatory policy and program changes. In particular, the Fertilizer Program's consultative framework has received wide support from stakeholders and is being looked to as a model for other areas within the Agency.

> **Expected Result:** *The Agency applies sound and current science to the development of national standards, operational methods, and procedures.*

The CFIA relies on science as the basis for designing and delivering its programs and as an essential component of its regulatory decision making. Science is pivotal to dealing with emerging issues such as safety assessments of new biotechnology-derived products and issues related to AI and BSE. The specific activities for which the CFIA needs and uses science to support its daily work include laboratory activities, risk assessment, surveillance, research, and technology development. The Agency also analyzes scientific research data and other information to provide technical advice and intelligence that enables CFIA officials to identify and prepare for emerging issues. The CFIA's scientific expertise makes an integral contribution to regulatory policy and standards development, not only in Canada, but worldwide.

The CFIA also works closely with other science-based departments and agencies (SBDAs) to advance integration on initiatives that touch on multiple government mandates. As part of the federal science and technology (S&T) community, the CFIA actively works with other SBDAs to develop a common vision for science and innovation within the federal government. Additionally, the Agency collaborates with SBDA's to develop solutions to national challenges and opportunities, which will help manage risk and strengthen linkages between science and policy. The CFIA also continues to play a lead role in overcoming barriers to S&T collaboration, identified in the interdepartmental review and subsequent report, *Overcoming Barriers to S&T Collaboration.*

Expected Result: *Deceptive and unfair market practices are deterred.*

The CFIA's regulatory regime incorporates activities designed to deter deceptive and unfair practices in the marketplace. With a focus on consumer packaging and labelling, seed production, plant breeding, and trading practices for dealers of fresh fruit and vegetables, the CFIA makes every effort to balance its approach towards protecting consumer health and promoting fair market competition.

PRODUCT OF CANADA LABELLING

Canada's food supply is increasingly global in nature and many Canadians are seeking clearer information about the foods they buy to help them make more informed decisions. The current food labelling guidelines, unchanged since the 1980s, do not clearly reflect the actual Canadian content in foods sold in Canada.

Canadians have told us that they expect "Product of Canada" to mean truly Canadian content. Under the revised guidelines, a "Product of Canada" label means that both the contents and processing of food must be Canadian. A "Made in Canada" label means that products can contain imported ingredients as long as they are manufactured or processed in Canada.

In May and June 2008, the Government of Canada held consultations with Canadians and stakeholders on the guidelines for "Product of Canada" and "Made in Canada" claims on food labels. The results of these consultations confirmed overwhelming support for the proposed guidelines. In fact, over 90 per cent of Canadians who took part in the consultations agreed with the new "Product of Canada" policy. The revised guidelines will help Canadians make informed choices about the products they are purchasing.

Table 2–5 presents performance information for this expected result, showing that compliance levels remained consistent with those of previous years. Three of four seed program targets have been met; however, compliance levels for pedigreed seed with quality standards continue to be below targets. This can be explained by changes in sampling methodology (an increase in targeted versus random sampling).

In addition to the above, the CFIA strives to protect consumers from deceptive practices relating to net quantity, composition, adulteration, absence of mandatory label information, nutrition labelling, bilingualism, and misleading claims. Taking a risk-based approach, the CFIA inspects products and establishments determined as posing the greatest risk for non-compliance. In 2007–2008, the CFIA observed a compliance rate of 79 percent[26]. As sampling is directed toward areas of highest risk, this compliance rate is not indicative of marketplace compliance in general. However, it does signal a slight improvement in compliance from previous years.

The CFIA also monitors compliance to new regulations concerning nutrition labelling, nutrient content claims, and diet-related health claims. Following the development of inspection tools and tools to assist industry in implementing these new regulations, the CFIA observed a compliance rate of 87 percent[27]. As sampling was directed toward areas of highest risk, this compliance rate is not indicative of marketplace compliance in general. The Agency will continue to monitor compliance during 2008–2009.

[26] Data Systems & Controls: Good

[27] Data Systems & Controls: Pending, assessment has not been completed

Expected Result: *Other governments' import requirements are met.*

The integrity and credibility of the certification process plays an important role in Canada's international trade and helps to protect the excellent international reputation of Canada's exports of food, plants, animals, and associated products. The CFIA continues to meet export demands by moving towards system-based certification programs. The Agency, working with industry and interested stakeholders, continues to develop and maintain export certification standards (which vary from country to country and commodity to commodity), conduct inspections, issue export certificates, and accredit third parties to carry out competent testing.

In 2007, the CFIA facilitated the export of over $23.5 billion (source: Industry Canada) in plant and plant products, meat, fish, seafood, and egg. The CFIA's programs covering the above commodities are delivered using regulations, policies, programs and stakeholder education/outreach to ensure industry complies with the associated export requirements of foreign countries. Table 2–5 shows that compliance levels remained consistent with those of previous years and all targets were met where performance is reported.

As import/export activities increase, so too does the demand for more efficient certification processes and services. In response, the CFIA began working with trading partners internationally to identify opportunities to streamline the certification process. In June 2007, the CFIA launched an import e-certification system for trade of meat.

2.2.3 Strategic Outcome 3: A sustainable plant and animal resource base

Government of Canada Outcome	**Strong economic growth**					
Strategic Outcome	**A sustainable plant and animal resource base**					
Expected Results	Entry and domestic spread of regulated plant diseases and pests are controlled	Industry complies with federal acts and regulations regarding Canada's crops and forests	Entry and domestic spread of regulated animal diseases are controlled	Industry complies with federal acts and regulations regarding Canada's livestock	Agricultural products meet the requirements of federal acts and regulations	Decision making, including regulation, in regards to animal and plant health are supported by sound, sufficient, and current Agency regulatory research
Key Strategic Risks	**Entry and/or spread of regulated plant and animal pests and diseases that affect the resource base**					
2007–2008 Priorities	**Improving Regulatory Compliance**	**Moving forward on key regulatory initiatives**	**Continuing with the CFIA's high state of preparedness and response for avian influenza (AI) and other zoonotic and plant diseases and pests**			
Program Activities	**Animal and Plant Resource Protection**					

Financial Resources			
Planned Spending ($ millions)	**Authorities ($ millions)**	**Actual Spending ($ millions)**	**Proportion of Actual Agency Spending (%)**
111.7	140.0	160.9	24%
Human Resources			
Planned Resources (FTEs)	**Authorities (FTEs)**	**Actual Resources (FTEs)**	**Proportion of Actual Agency Resources (%)**
1,147	1,150	1,571	25%

Figure 6: Reporting Framework for Strategic Outcome 3

The CFIA contributes to the Government of Canada outcome ***Strong economic growth*** through the advancement of the strategic outcome: ***A sustainable plant and animal resource base.***

Increasingly, governments recognize that our economic and social well-being are contingent on the health and sustainability of our natural resources—including water, forests, aquatic life, and agriculture. The Government of Canada's commitment to sustainable economic growth recognizes that Canada's traditional industries such as forestry and agriculture have long been anchors of the nation's economy. Industries based on natural resources provide jobs to hundreds of thousands of Canadians and support hundreds of communities across the country.

The CFIA contributes to this government priority by promoting a sustainable plant and animal resource base. This work involves protecting Canada's crops, forests, livestock, and aquatic animals from regulated pests and diseases, and assessing the environmental sustainability of new products derived through enabling technologies, such as biotechnology.

The CFIA measures its performance of this strategic outcome through the achievement of the following expected results:

- Entry and domestic spread of regulated plant diseases and pests are controlled.
- Industry complies with federal acts and regulations regarding Canada's crops and forests.
- Entry and domestic spread of regulated animal diseases are controlled.
- Industry complies with federal acts and regulations regarding Canada's livestock.
- Agricultural products meet the requirements of federal acts and regulations.
- Decision making including regulation, in regards to animal and plant health are supported by sound, sufficient and current Agency regulatory research.[3, page 10]

The Strategic Outcome is supported by one Program Activity: Animal and Plant Resource Protection.

Animal and Plant Resource Protection includes protecting Canada's livestock, crops, and forests from regulated pests and diseases including invasive alien species; and regulating agricultural products, including products of biotechnology.

The following table identifies the CFIA's expected results and performance indicators for this program activity, reports 2007–2008 performance against these expectations, and provides trending information to set performance in context.

Table 2–6: Summary of Performance Information for Animal and Plant Resource Protection

Expected Results	Performance Indicators	Previous Performance		2007–2008 Performance		Met (✓) Not Met (✗)
		2005–2006	2006–2007	Performance	Target	
Entry and domestic spread of regulated plant diseases and pests are controlled.	Extent to which Agency data indicates the entry of new regulated diseases and pests into Canada (listed in the Regulated Pest List for Canada).[28, 29]	4 entries	2 entries	3 entries	No entry of new regulated diseases and pests through regulated pathways.	✗
	Change in the presence of plant diseases or pests beyond the regulated areas.[28]	Some increase	Some increase	Increase[30]	No increase attributable to human activity.	✗
	Extent to which annual planned pest surveys are completed in accordance with CFIA pest specific detection protocols.[28, 31]	100%	100%	100%	100% of the overall annual planned pest surveys are completed or deemed acceptable per CFIA pest specific detection protocols.	✓
Industry complies with federal acts and regulations regarding Canada's crops and forests.	Extent to which bulk-blend fertilizers comply with efficacy standards and fertilizer-pesticide samples tested comply with safety standards (non-biotechnology product).[32]	82%	78%	83%	≥95% compliance rate for bulk blend fertilizer samples tested based on efficacy standards (non-biotechnology product).	✗

[28] Data Systems & Controls: Pending, assessment has not been completed

[29] Data reporting the identification and prevention of plant pest entry into Canada is collected through CFIA surveys and inspections as well as public notification to the CFIA. All CFIA findings are posted by the CFIA on the North American Plant Protection Organization pest alert website.

[30] For clarity of reporting on the spread of plant pests and diseases, in 2007–2008 the Agency has simplified its reporting by reporting an "increase" where the target has not been met and "no increase" when the target has been met.

[31] This indicator has been modified in order to better reflect the importance of completing surveys according to established protocols. Previous year's indicators focused on the number of surveys completed against plan.

[32] Data Systems & Controls: Reasonable

Expected Results	Performance Indicators	Previous Performance		2007–2008 Performance		Met (✓) Not Met (✗)
		2005–2006	2006–2007	Performance	Target	
Industry complies with federal acts and regulations regarding Canada's crops and forests.		61%	69%	65%	≥95% compliance rate for fertilizer-pesticide samples tested based on safety and efficacy standards (non-biotechnology product).	✗
	Extent to which fertilizers and supplement sample test (heavy metal, pathogen, and pesticide contamination) comply with safety standards[33]	96%	95%	92%	≥95% compliance rate for fertilizer and supplement samples tested (heavy metal, pathogen, and pesticide contamination) based on safety standards.	✗
Entry and domestic spread of regulated animal diseases are controlled.	Extent to which Agency data indicates the entry of new regulated animal diseases into Canada (listed diseases in OIE).[34]	None	None	None	No evidence of entry of new regulated animal diseases into Canada through regulated pathways.	✓
	Change of animals (domestic) with regulated animal disease found in Canadian herds/flocks.[34]	Some increase	Some increase	No Increase[35]	No increase	✓

[33] Data Systems & Controls: Reasonable

[34] Data Systems & Controls: Pending, assessment has not been completed

[35] For reporting purposes in fiscal year 2007–08, the Agency tracked the number of cases of domestic rabies, bovine tuberculosis and scrapie. The World Organization for Animal Health (OIE) reports the number of cases of other reportable diseases in Canada and around the world on their website (http://www.oie.int/wahid-prod/public.php?page=home).

Expected Results	Performance Indicators	Previous Performance		2007–2008 Performance		Met (✓) Not Met (✗)
		2005–2006	2006–2007	Performance	Target	
Industry complies with federal acts and regulations regarding Canada's livestock.	Extent to which feed mills comply with the Feed Ban (without major deviations)[36]	96%	94%	91%	≥ 95% compliance	✗
	Extent to which feed mills comply with the *Feeds Act* including the Feed Ban (without major deviations).[36]	NA	82%	75%	≥ 96% compliance	✗
	Extent to which feed renderers comply with the Feed Ban (without major deviations)[36]	93%	100%	96%	≥ 93% compliance	✓
	Extent to which feed renderers comply with the *Feeds Act* including the Feed Ban (without major deviations).[36]	N/A	100%	95%	≥93% compliance	✓
Agricultural products meet the requirements of federal acts and regulations.	Extent to which confined field trials of PNTs comply with CFIA requirements.[37]	94%	94%	96%	≥ 90% compliance	✓
	Extent to which fertilizers and supplement sample tests comply with efficacy standards (novel supplements).[37]	92%	96%	95%	≥ 95% compliance	✓
Decision making, including regulation, in regards to animal and plant health are supported by sound, sufficient and current Agency regulatory research.[38]						

[36] Data Systems & Controls: Reasonable

[37] Data Systems & Controls: Pending, assessment has not been completed

[38] The CFIA Performance Measurement Framework has evolved significantly since the publication of its 2007–2008 RPP. Results for regulatory research aim to support, sound risk-based decision making policy development and implementation, and program delivery across all Agency programs. Regulatory research reporting, therefore, is included where appropriate with the other expected results for this program activity.

Expected Result: *Entry and domestic spread of regulated plant diseases and pests are controlled.*

Ultimately, the CFIA's goal is to mitigate the risks of new regulated pests and plant diseases entering Canada. Table 2–6 presented performance measurements for this expected result. Certain challenges are inherent in achieving these targets. The following section discusses these challenges and the work the CFIA is doing to address them.

The CFIA's role in protecting the plant resource base involves preventing the entry, establishment, and domestic spread of plant diseases as well as regulating fertilizers and plant supplements. Plant diseases and pests that enter Canada from other countries can be devastating. Eradicating these diseases is difficult and requires consultation with stakeholders and scientific experts, inspection, surveys, and pest removal.

The vast number of commodities, plant pests, and globalization of the trade of plants and plant products make it impossible to achieve absolute prevention of the entry of new regulated plant pests and diseases into Canada. The CFIA works with key partners, such as the Canada Border Services Agency who conducts border inspections, trade partners who issue phytosanitary certificates claiming compliance of imported materials, as well as the travelling public (to whom CFIA awareness campaigns are targeted) who may import materials which may not be compliant with regulations. When the Agency confirms that the pest or disease has been detected, it responds quickly by investigating the risk posed to Canada's plant resource base and by developing strategies for control and eradication.

Controlling the spread of plant pests and diseases that are already established in Canada is another way in which the CFIA helps protect Canada's crops and forests. In 2007–2008, the Agency focused efforts on a National Plant Health Strategy, while developing standards, guidelines, and new detection methods and tests to contain potential threats.

DID YOU KNOW?

Introduced plant pests like the emerald ash borer, the Asian longhorn beetle, and the brown spruce longhorn beetle pose a significant threat to Canadian forests. The emerald ash borer was first detected in Windsor, Ontario, in 2002, but is now present in seven counties and municipalities in Ontario and was recently discovered in Quebec. Emerald ash borers are extremely difficult to detect, and, once established, very difficult to control. The CFIA is now working with the Canadian Forest Service and the city of London to study an innovative new product called Neem (a natural product extracted from the seeds of the Neem tree that kills the larvae of the borer) as a possible tool to manage the insect in urban settings. Until science can provide effective control tools, such as Neem, the CFIA continues to regulate the movement of high-risk materials such as ash materials and firewood of all species to prevent the spread of the pests in Canada. To learn more about the emerald ash borer and other plant pests as well as what you can do to help, please visit **http://www.inspection.gc.ca/english/plaveg/pestrava/pestravae.shtml**

The Agency monitors established pests through surveys; conducts inspections, audits, sampling, and testing of Canadian plants, plant products, and soil; and applies timely and strict quarantine actions in cooperation with other levels of government. The CFIA recognized an increase in the spread of previously identified plant pests and diseases from the previous year and was successful in eradicating or controlling 3 of the 9 pests identified during the year.[39] While it is impossible for the CFIA to control the spread of pests and diseases caused by natural mechanisms, such as wind or the movement of wildlife, the Agency relies on regulated parties and the general public to not move regulated materials from an infested to a non-infested area.

[39] Even when spread occurs, the degree of spread varies from occurrence to occurrence. Once plant diseases and pests are identified, the CFIA continues active surveillance of infected areas.

This includes the use of farming practices which minimize the spread of pests via farm equipment, as well as key outreach campaigns to build awareness regarding the movement of materials such as firewood. These activities are critical for preventing the movement of pests and diseases to other parts of Canada and maintaining or restoring market access.

The CFIA made progress on managing the spread of the Potato Cyst Nematode (PCN) by reaching an agreement with the U.S. early in 2008 on revised PCN guidelines, and is conducting follow-up investigations and delimitation surveys. The PCN is a plant pest whose spread, if left uncontrolled, has the potential to cause significant damage to potato crops that could translate to significant economic losses in pest management expenses and market access interruptions. Close linkage between CFIA laboratories and the CFIA's emergency management programs enables the CFIA to prioritize sampling activities to ensure that producers have the necessary certification in time for shipment to the U.S.

Expected Result: *Industry complies with federal acts and regulations regarding Canada's crops and forests.*

The CFIA protects Canada's crops and forests by regulating plant supplements and fertilizers. The Agency inspects products at blending and manufacturing plants as well as retail outlets and warehouses. It also routinely assesses and samples fertilizers and supplements to verify that they meet Canada's standards for safety (for heavy metals, pesticides, and pathogens). Education, awareness, and outreach activities complement these efforts to facilitate industry compliance.

The CFIA verifies that domestic and imported fertilizer and supplemental products sold in Canada comply with the *Fertilizers Act* and *Fertilizers Regulations* with respect to efficacy, product guarantees, and contamination levels. Low compliance levels within the fertilizer program over the past few years had prompted the Agency to further engage with stakeholders and adjust fertilizer sampling and monitoring strategies to target areas of chronic non-compliance. As shown in Table 2–6, compliance levels for both bulk-blend fertilizers complying with efficacy standards, and fertilizer-pesticide samples complying with safety and efficacy standards, continue to be below established targets. This said, an increase in compliance has been observed since last year. The CFIA has been in discussions with the Canadian Fertilizer Products Forum (CFPF) for the past several years to identify root causes of non-compliance and options for improvement. The CFIA will continue working with the CFPF and industry to ensure that compliance rates continue to improve.

Compliance targets relating to pesticide contamination of fertilizer and supplement products were not met in 2007–2008, and have shown a slight downward trend over the past three years. As part of its efforts to improve compliance rates, the CFIA has created a new pesticide contaminant inspection program aimed at the lawn care industry. The CFIA has also increased the sampling for pesticide residues to better monitor industry compliance.

Expected Result: *Entry and domestic spread of regulated animal diseases are controlled.*

Canada's ability to market animals, animal products, animal by-products, and livestock feed depends on the absence of serious epizootic diseases (epidemics in animal populations). It also depends on the confidence of consumers and international officials in Canada's commitment to protect animal, human, and ecosystem health. Controlling animal disease requires early recognition of a new disease or any change in the prevalence of existing diseases in Canadian herds or flocks.

In 2007–2008, efforts were directed at enhancing the CFIA's ability to detect and respond to animal disease by improving or expanding protocols, building a better understanding of disease ecology, and improving testing methods. Early detection is critical to managing the entry and spread of animal pests and diseases into Canada. While CFIA continues to develop faster and more effective tests, it is also dedicating resources to the characterization of key threats to Canada's animal populations. Lessons learned have indicated that these efforts are very costly and resource intense, which make it impossible for the CFIA to further this agenda on its own. To this end, the Agency is collaborating with key national and international partners, including regulatory and science-based organizations and international standard setting bodies.

The CFIA conducts disease surveillance as part of the Canadian Animal Health Network (a nationwide network of veterinarians and provincial and university diagnostic laboratories). It also exchanges disease intelligence regularly with other nations and international organizations to establish collaborative approaches to common challenges. Further, under the *Health of Animals Act*, animal owners, veterinarians, and laboratories are required to immediately report to the CFIA any animals that are suspected of being affected by certain diseases.

Table 2–6 shows that the CFIA met its target relating to the entry of new regulated animal diseases and recognized a slight decline in the change of animal diseases found in domestic herds and flocks. The CFIA's surveillance approach to prevent the entry and spread of animal disease targets the highest risk animals and regions and, in some cases, benefits from the very strong participation of producers. The small decrease in animal diseases is mostly attributable to the reduction in the number of domestic cases of rabies reported from 2006–2007 to 2007–2008.

Expected Result: *Industry complies with federal acts and regulations regarding Canada's livestock.*

The CFIA contributes to the safety of its animal resource base by verifying that livestock feeds manufactured and sold in Canada or imported into Canada are safe, effective, and labelled appropriately. This effort includes inspecting feed mills and rendering facilities to monitor feeds for medication and contamination as well as reviewing labels and approving ingredients.

The CFIA focusses its efforts on the risks associated with commercial feed manufacturers and rendering establishments where, as primary suppliers of inputs for livestock feeds, contaminants can be disseminated rapidly in the feed chain. The CFIA reports performance specific to major deviations which could pose a risk to either human or animal health and are relevant to the protection of Canada's livestock. As presented in Table 2–6, the CFIA observed achievement in two out of four targets. Follow-up inspections of non-compliant feed mills, although in progress and slated for completion in the coming months, were not complete as of the end of the reporting period. This contributed, in part to lower than expected rates of compliance of feed mills with respect to the *Feeds Act* including the Enhanced Feed Ban. Additionally, the CFIA has been working with stakeholders to improve the effectiveness of the feed inspection protocol and follow-up to non-compliance through initiatives such as the Feed Inspection Harmonization Project. It is anticipated that once improvements have been made, compliance rates will improve over time.

Expected Result: *Agricultural products meet the requirements of federal acts and regulations.*

Livestock feeds, fertilizers, supplements and veterinary biologics that are effective and safe contribute to efficient production and the maintenance of healthy livestock and crops. The CFIA assesses feed, fertilizers, and supplements for their safety, efficacy and proper labelling before they can be registered for sale in Canada. Fertilizer and supplement products that are exempt from registration and do not require pre-market assessment are still monitored for compliance with prescribed standards.

As demonstrated in Table 2–6, the CFIA met both of its established targets for this expected result. The CFIA continues to work with industry and other stakeholders in efforts to maintain high levels of compliance. The CFIA also continued to engage in consultation and policy development in the key area of plant biosafety, including adventitious presence (unintentionally present biotechnology derived material in seeds, grains, oilseeds, livestock feed and food).

2.2.4 Strategic Outcome 4: Security from deliberate threats to Canada's food supply and agricultural resource base

Government of Canada Outcome	A strong mutually beneficial North American partnership		
Strategic Outcome	Security from deliberate threats to Canada's food supply and agricultural resource base		
Expected Results	The Agency is in a state of readiness for an effective rapid response to emergencies	The Agency has the capacity to respond to emergencies	Decision making related to public security is supported by sound, sufficient, and current Agency regulatory research
Key Strategic Risks	Emergency preparedness and response	Emergence and/or spread of animal diseases that affect humans (zoonoses)	
2007–2008 Priorities	Continuing with the CFIA's high state of preparedness and response for avian influenza (AI) and other zoonotic and plant diseases and pests		
Program Activities	Public Security		

Financial Resources			
Planned Spending ($ millions)	**Authorities ($ millions)**	**Actual Spending ($ millions)**	**Proportion of Actual Agency Spending (%)**
81.6	97.3	40.5	6%
Human Resources			
Planned Resources (FTEs)	**Authorities (FTEs)**	**Actual Resources (FTEs)**	**Proportion of Actual Agency Resources (%)**
365	365	181	3%

Figure 7: Reporting Framework for Strategic Outcome 4

The CFIA contributes to the Government Outcome ***A strong, mutually beneficial North American partnership***, through the advancement of the strategic outcome; ***Security from deliberate threats to Canada's food supply and agricultural resource base.***

Under the *Emergency Preparedness Act*, the CFIA is mandated to prepare for and respond to emergencies involving food safety, animal health, plant health, and any other situation related to its programs. The CFIA's emergency preparedness program focuses on activities that help the Agency and its partners reach a state of readiness to ensure an effective and rapid response to emergencies including potential terrorist threats.

The CFIA measures its performance of this strategic outcome through the achievement of the following expected results:

- The Agency is in a state of readiness for an effective, rapid response to emergencies.
- The Agency has the capacity to respond to emergencies.
- Decision making related to public security is supported by sound, sufficient and current Agency regulatory research.[40]

The Strategic Outcome is supported by one Program Activity: **Public Security**

Activities under this program contribute to public security and agri-food security. In 2005–2006, the CFIA implemented aspects of Public Safety Canada's National Emergency Response System. This will be the last year the Agency reports on this particular strategic outcome and program activity, given that the system was fully implemented in 2006–2007. The text that follows identifies the CFIA's continued activities supporting Public Safety.

Expected Result: *The Agency is in a state of readiness for an effective, rapid response to emergencies.*

Emergency response is a challenging, shared responsibility that can involve numerous federal departments, provinces and territories, and other countries. Key elements of effective emergency response include appropriate policies, plans, and procedures for dealing with emergencies, along with emergency exercises and training.

The Agency's emergency preparedness program focuses on activities that enable the CFIA and its partners to respond quickly and effectively to an emergency involving food safety, animal disease or plant pests. Effective inter-organizational links are key to the CFIA's integrated response. For example, under the *Health of Animals Act*, the CFIA is responsible for responding to foreign animal disease outbreaks in Canada. Given that some such outbreaks can spread rapidly and transmit to humans, controlling and eradicating them could require extraordinary resources from stakeholders such as the provinces and territories. To this end, the CFIA, in partnership with the Canadian Veterinary Medical Association, has been actively recruiting for the Canadian Veterinary Reserve (CVR) and conducts regular simulated emergency exercises, which provide opportunities for emergency responders and their organizations to build competencies.

Expected Result: *The Agency has the capacity to respond to emergencies.*

The 2001 Federal Budget allocated funds for public security and anti-terrorism (PSAT) activities to improve security for Canadians. The CFIA has been working to increase its capacity to respond to emergencies through strengthened surveillance and detection, science and laboratory capacity, and border controls. PSAT funding for surveillance and early-detection activities supplements the Agency's regular funding for monitoring food, animal, and plant commodities.

[40] The CFIA Performance Measurement Framework has evolved significantly since the publication of its 2007–2008 RPP. Results for regulatory research aim to support, sound risk-based decision making policy development and implementation, and program delivery across all Agency programs. Regulatory research reporting, therefore, is included where appropriate with the other expected results for this program activity.

In 2007–2008 the CFIA maintained strong partnerships to respond effectively in emergency situations. These efforts included participating on intergovernmental working groups for laboratory preparedness and working closely with the Canada Border Services Agency in support of controls at border points. The CFIA advanced several initiatives in support of this expected result. Of particular importance is building capacity through training, improving methodologies, and enhanced infrastructure. To facilitate the preparedness of the Agency's labs to manage the deliberate introduction of a disease or chemical agent, the Agency worked with provinces, the U.S. and Mexico to establish uniform test methodologies and training. The CFIA also participates on intergovernmental working groups for laboratory preparedness.

DID YOU KNOW?

Recruitment for the Canadian Veterinary Reserve (CVR) began in 2006 in order to assist governments in responding to animal health emergencies such as disease outbreaks or natural disasters. A reserve of 100 to 150 personnel is the initial target with numbers increasing over subsequent years to a final reserve population of 300 to 500 personnel. Additional capacity will also serve to augment Canada's ability to collaborate at the international level to address emerging risks at their source, without compromising its operational and business continuity obligations domestically. In 2007, orientation and training of the initial reservists began. *(Key partners – Canadian Veterinary Medical Association (CVMA), Provinces, Provincial Veterinary Associations and Registrars, PHAC, PSEPC, and PSC).*

3. Supplementary Information

3.1 Special Initiatives and Risk Mitigation Strategies

In addition to setting performance indicators and targets to measure progress, the CFIA's 2007–2008 RPP set out plans for moving forward on special initiatives and risk mitigation strategies in support of specific strategic outcomes. The following tables supplement the information provided in Section 2 by highlighting CFIA's achievements in this area, according to the expected results for each strategic outcome.

3.1.1 Strategic Outcome 1: Protection from preventable health risks related to food safety or the transmission of animal diseases to humans

Expected Result: Food leaving federally registered establishments for interprovincial and export trade or being imported into Canada is safe and wholesome.	
What was planned in the 2007–2008 RPP?	**What was achieved?**
Work with provinces and territories on the On-Farm Food Safety (OFFS) Recognition Program.	• Successfully negotiated review processes with provinces/territories and national producer organizations. • Coordinated reviews and ensured standards met for steps under CFIA control: technical soundness; adherence to Hazard Analysis Critical Control Points (HACCP) principles; compliance with federal, provincial and territorial regulatory requirements; and effective documentation of management and delivery. • Completed three reviews under the OFFS program.
Continue to expand the HACCP approach.	• Encouraged maintenance of HACCP systems in federally registered establishments through the Food Safety Enhancement Program. • 100% of federally registered meat establishments in compliance (mandatory sector). • HACCP implementation in the voluntary sectors up from 10% in 2006–2007 to 12% in 2007–2008. • New feed inspection program developed to acknowledge HACCP systems in feed mills implemented in approximately 200 of 550 commercial feed mills.
Continue to promote acceptance and implementation of good importing practices.	• Launched import e-certification system enabling import trade functions with New Zealand. • Since the launch of the Import e-certification initiative with New Zealand in June 2007, 1,947 New Zealand electronic export certificates have been processed by CFIA's e-certification system, providing a completely automated import pre-clearance process. This corresponds to 100% of all non-canned New Zealand meat exports.
Focus on developing a strategy and implementation plan for the Import Retrieval System (IRS) data sent by the Canada Border Services Agency.	• The IRS provides information on Canadian importers and the products they import for goods regulated by the CFIA.

What was planned in the 2007–2008 RPP?	What was achieved?
Develop an overall research strategy for the food sector and identify and prioritize food research needs for the CFIA.	• Food research plan drafted. Research needs identified are focusing on method development for the detection of foodborne pathogens, chemical contaminants, drug residues, toxins, allergens, labelling, and nutrition.
✦ Enhance capability to detect a broader range of chemical compounds and organisms in a wider range of food and ingredients.	• Developed improved methods for detecting allergens (milk proteins, gluten, hazelnuts), mycotoxins (fungal toxins) in food and antibiotics (fluoroquinolones) in eggs. • Developed and/or validated highly sensitive methods for detecting multiple pesticide residues in infant foods, antibiotics (quinolones and fluoroquinolones) in honey and antibiotics and their metabolites in food animal tissues and other food matrices. • Validated methods for detection of antibiotics in honey and raw milk.
✦ Assess alternatives to culture-based methods for detecting pathogens in food.	• Developed and improved methods to detect pathogens of significance for public health, including Escherichia coli, salmonella, shigella, listeria, and campylobacter.
✦ Assess newer platform technology for applicability in regulatory compliance (biosensor-based technology for detecting veterinary drug residues in food).	• Assessed a new biosensor-based technology for detecting veterinary drug residues in food, permitting CFIA to enhance its capability of detecting residues of much broader spectrum of antimicrobial drugs approved for use in food animal production and those that are banned/prohibited from use.

Expected Result: Food safety incidents in non-federally registered facilities and food products produced in them are addressed	
What was planned in the 2007–2008 RPP?	**What was achieved?**
Implement recommendations of a recent review of the Food Safety System.	• Work began toward implementation of the *Food and Consumer Safety Action Plan*.
✦ Improve inspection coverage of the non-federally registered sector by working through the Federal/Provincial/Territorial Regulatory Affairs Committee to develop and implement enhanced inspection strategies.	• Actively participated in the Federal/Provincial/Territorial Food Safety Committee to enhance food safety surveillance of domestic and imported foods and to improve food safety coverage/measure for the non-federally registered sector.

Expected Result: Food safety recalls and incidents are contained in a timely and appropriate manner.	
What was planned in the 2007–2008 RPP?	**What was achieved?**
✦ Focus on improving food safety outreach activities including food recalls, allergy alerts, and health advisories.	• Enhanced the recall and allergy alert e-mail system to allow users to choose the type of alerts they want to receive and continued use of live Internet feeds and e-mail for all recalls. • Issued seasonal press releases to educate the public on safe food handling and preparation practices, such as for back-to-school lunches, turkey preparation at Thanksgiving, and safe barbequing in the spring/summer.

Expected Result: Animal diseases that are transmissible to humans are effectively controlled within animal populations.	
What was planned in the 2007–2008 RPP?	**What was achieved?**
✱ Contribute to the implementation of the *National Wildlife Disease Strategy* to establish a coordinated national policy, disease response, and management framework for diseases such as avian influenza, chronic wasting disease, severe acute respiratory syndrome, tuberculosis, and lyme disease. Furthermore, the goals of the *National Wildlife Disease Strategy* include detecting new wildlife diseases early, preventing their emergence, responding rapidly to new diseases, managing disease effectively, and minimizing the impact of animal diseases originating in wildlife.	• Actively pursued implementation of the strategy by leveraging engagement activities under the *National Animal Health Strategy*. • Reached agreement with the Canadian Cooperative Wildlife Health Centre to include wild fish surveillance in the strategy. • Participated in national workshop of wildlife health professionals from Canada and the U.S. to review how current Canadian programs contribute to meeting the goals of the National Wildlife Disease Strategy and how to improve using available resources.
✱ Contribute to the *Avian and Pandemic Influenza Preparedness Strategy*.	• Established a Canadian avian influenza vaccine bank of 10M doses of both H5 and H7 subtypes. • Acquired mobile telecommunications vehicles for each area to allow for on-site coordination during the event of an emergency. • Identified a number of low pathogenicity North American strains of avian influenza through wild bird surveillance.
Enhance BSE programming.	• Introduced EFB and implemented a feed ban task force to coordinate activities with partners. • Development of a more rapid sensitive molecular method (PCR) for the detection of the 5 prohibited (bovine, sheep, goat, elk and deer) and exempt (pig, horse) animal species of most relevance to the Canadian feed ban. • Implemented a national communication campaign, including public notices, a dedicated web page, booklets, brochures and posters for distribution. • Made key contribution to Canada's successful application to the OIE for recognition as a BSE "controlled risk" country through the ban, which could result in the expansion of trade opportunities and export markets.
Assess and further develop rapid detection technologies for testing animals for zoonotic diseases.	• Worked on rapid testing technologies for avian influenza, with one method showing proof in principle for the ability to detect antibodies related to the immune response caused by the disease. • Collaborated with U.S. Department of Agriculture to develop an improved real-time PCR (polymerase chain reaction), a rapid technique used to amplify a piece of DNA, a method that will be transferred to the Canadian Animal Health Surveillance Network.
Develop a web-based reporting and communications network in collaboration with the Public Health Agency of Canada to support surveillance of zoonotic diseases.	• The parameters under which the exchange of scientific information between the provinces and universities have been established. A formal agreement is in the process of being developed. • Working to develop data sharing agreements with the provinces.
Working with provincial and territorial partners and other federal departments on *International Rabies Management Plan*.	• The CFIA contributed to a draft National Rabies Management Plan. This plan will become part of a broader North American Rabies Management Plan to ensure a more effective and integrated control of rabies across jurisdictions.

3.1.2 Strategic Outcome 2: Protection of consumers through a fair and effective food, animal, and plant regulatory regime that supports competitive domestic and international markets.

Expected Result: The Agency contributes to the development and implementation of international rules, standards, and agreements through international negotiations.	
What was planned in the 2007–2008 RPP?	**What was achieved?**
Participate in international forums, contribute to international standard-setting, and continue to implement initiatives under the Security and Prosperity Partnership (SPP).	• Contributed to the development of international rules and standards and advanced a number of bilateral issues through participation in various international forums. • The CFIA continues to play a role in identifying and pursuing practical solutions to shared challenges in North America through the SPP. Some of the key SPP initiatives delivered in 2007–2008 in which CFIA played a lead role include: – Harmonization of North American standards in accordance with the OIE to allow for the export of Canadian and American breeding cattle to Mexico. – Development of a mechanism between Canada and the United States to coordinate and exchange information on food safety investigations and follow-up activities, including test results and recalls, in response to food safety issues that may affect one another.

Expected Result: Transparent, outcome-based, and science-based domestic regulatory framework is maintained.	
What was planned in the 2007–2008 RPP?	**What was achieved?**
Address compensation issues under the *Health of Animals Act*.	• Reviewed maximum levels of compensation to allow more flexibility in compensation based on specific details (species, gender, age, etc.) of the animal in question. • Adjusted maximum compensation levels to create a system that provides fair market value for destroyed animals.
✤ Under the Meat Inspection Reform Initiative, develop and implement a Canadian Meat Hygiene Standard and technical guidance documents. Under the same initiative, improve inspection programs under the Compliance Verification System (Poultry Rejection Project, HACCP-based inspection for Hogs). Continue efforts toward a Canada-Ontario integrated meat inspection system.	• Continued development of the draft Canadian Meat Hygiene Standards and ongoing engagement of provinces and territories. • Implemented an HACCP-based inspection system for hogs, meeting the January 2008 deadline. • Implemented the Compliance Verification System (CVS) to provide inspectors with an efficient and uniform approach to verifying that industry is meeting safety standards.

What was planned in the 2007–2008 RPP?	What was achieved?
To support the industry-championed Fair and Ethical Trade initiative through the initiation of the Destination Inspection Service (for fresh fruit and vegetables) and through consultations on licensing and arbitration.	• Launched improved destination inspection services (DIS) for fresh produce, including the DIS website that enables industry to access, fill in, and submit request forms online. • Extended hours of services at major DIS centres such as Montreal, Toronto, Calgary, and Vancouver, to better meet industry needs. • Development of regulatory amendments to permit service contracts. • Consulted extensively with industry to inform the preparation of amendments to the *Licensing and Arbitration Regulations* and participated in the federal/provincial/territorial working group on fair and ethical trading practices in the horticulture sector.
Build stakeholder support and implement a strategic action plan for the Fertilizer Program Modernization Initiative.	• Continued support and cooperation with the Canadian Fertilizer Products Forum. • Worked on strategic action plan towards streamlining requirements so products can be brought to market more quickly. • Revised efficacy guidelines for fertilizer and supplement products. • Reviewed existing third party delivery models and assisted in the development of an industry-led quality assurance program for compost. • Developed new guideline and policy document for compost products. • Revised and updated guidelines and requirements document for conducting research
Develop a strengthened permanent consultative framework for the Seed Program Modernization Initiative (SPMI).	• Establishing a more efficient regulatory process for seeds. • Consulted throughout the year with stakeholders to build awareness and understanding of the SPMI. • Drafted a strategic action plan and presented to stakeholders for feedback.
✦ Work with provincial and private sector certification bodies to implement the *Organic Products Regulations* (2006) and negotiate international accreditation-recognition and acceptance for Canada's organic products.	• Launched a public awareness campaign. • Reviewed regulations in relation to the Organic Products Standards. • Developed and initiated implementation of an Import Control Strategy and continued consultations with provinces.

DID YOU KNOW?

The design of the Compliance Verification System (CVS) was initiated in fall 2005 and then introduced as a pilot project in 2006. In April 2008, it was implemented in all federally registered meat establishments.

The CVS is a tool to verify that industry is meeting safety standards. It includes detailed procedures and tasks for inspectors to follow when reviewing a plant's safety plan and production process. CVS requires the CFIA inspector to conduct on-site assessments of the plant, as well as in depth reviews of company records and test results.

Expected Result: The Agency applies sound and current science to the development of national standards, operational methods, and procedures.	
What was planned in the 2007–2008 RPP?	**What was achieved?**
Take a lead role in monitoring implementation of recommendations for overcoming barriers to S&T collaboration. Participate in the Enterprise initiative to develop a federal perspective on S&T and contribute to Industry Canada-led development of a federal S&T strategy.	• Continue work towards overcoming barriers to S&T integration to enhance the federal S&T workforce and foster the development of effective collaborative partnerships and networks with stakeholders. • Working in collaboration with its partners in the federal S&T community, continued to promote effective S&T leadership to address national challenges. • Contributed to the development of the federal S&T strategy *Mobilizing Science and Technology to Canada's Advantage*, led by Industry Canada, and will continue to support its implementation.

Expected Result: Deceptive and unfair market practices are deterred.	
What was planned in the 2007–2008 RPP?	**What was achieved?**
Under the auspices of the *Plant Breeders' Rights Act*, the CFIA grants exclusive rights to plant breeders for their new varieties, and pursuant to Section 78 of the Act, reports on the administration of the Act.	• The intent of this legislation is to stimulate plant breeding in Canada through the protection of intellectual property rights and to provide Canadian producers better access to foreign varieties. • In 2007, the CFIA received 430 applications for plant breeders' rights; granted rights for 442 plant varieties and renewed the protection of rights for 1,392 varieties previously approved.

Expected Result: Other governments' import requirements are met.	
What was planned in the 2007–2008 RPP?	**What was achieved?**
✦ Develop and implement electronic export certificate systems to better meet the increasing export volume, security, and documentation demands.	• Worked with the U.S. to advance an e-certification system for meat and plant product exports. • Participated in efforts of the United Nations Centre for Trade Facilitation and Electronic Business to establish international standards to facilitate international trade.
✦ Improve inspection guidelines for trade of wood products in relation to the development of standards for novel heat treatment kilns.	• Developed a technical guide to assist in the verification that wood products are treated to meet an international plant health standard (56°C/30 minutes at core), including a number of different wood species and products. • Developed policy and program elements for the Canadian Heat Treated Wood Products Certification Program and the Canadian Wood Packaging Certification Program, which have positioned Canada as a leader in meeting the international plant health standards for wood.

3.1.3 Strategic Outcome 3: A sustainable plant and animal resource base

Expected Result: Entry and domestic spread of regulated plant diseases and pests are controlled.	
What was planned in the 2007–2008 RPP?	**What was achieved?**
✱ Work closely with the F/P/T Regulatory Assistant Deputy Minister's Committee to continue to scope out the components for the National Plant Health Strategy.	• Prepared a presentation to the committee outlining National Plant (Health) Biosecurity Framework.
Finalize standards for plant pest containment for the CFIA approval of medium- to high-risk containment facilities	• Finalized the Containment Standards for Facilities Handling Plant Pests for CFIA staff and other persons who grow, raise, culture, or produce anything that is a pest or is infected or infested with a pest. (Available at **http://www.inspection.gc.ca/english/sci/bio/plaveg/placone.shtml**) • Standards describe the minimum acceptable physical and operational requirements for facilities that work with plant pests and provide guidance on the operation of plant pest containment facilities such as laboratories, greenhouses, and screen houses.
Continue intergovernmental collaboration on the *Invasive Alien Species (IAS) Strategy* to prevent the introduction of harmful plants and plant pests, detect incursions early, respond rapidly, and effectively manage species that become established.	• Intergovernmental collaboration, including participation in the interdepartmental committee for IAS, to ensure consistent and collaborative implementation of A National Alien Species Strategy for Canada. • Responded to new pest incursions in collaboration with municipalities, provinces, and other federal departments and agencies. • Hosted intergovernmental workshops towards the development of a Canadian invasive plant framework that would provide a roadmap to intergovernmental collaboration in addressing invasive plant threats to Canada. • Conducted an Invasive Alien Species Forest Pest Survey and other surveys in co-operation with other federal departments and stakeholders. • Participated in the Invasive Alien Species Interdepartmental Working Group and collaborated with Canadian Forest Services in the development of the National Forest Pest Strategy and in the creation of an Exotic Pest Detection Survey. • Collaborated with other federal government partners in the Environment Canada-led Invasive Alien Species Partnership Program, and delivered reviews as part of the Technical Review committee. • Participated in interdepartmental committee meetings led by Environment Canada to aid in the coordination of communications or activities relating to IAS. • Launched a "Don't Move Firewood" public information campaign in Ontario to limit the spread of emerald ash borer through public education as well as the international travelers bio security campaign.
✱ Research to develop new, faster, or improved methods for pest detection, to treat commodities that harbour pests, and to control the pests themselves.	• Developed a more rapid sensitive (real-time PCR) test for three strains of sudden oak death (*Phytophora ramorum*), for casual agent of bacterial wilt of alfalfa, potato viruses, and other invasive alien potato pests. Faster tests for grapevine phytoplasma and new tests for the Columbian vitera virus.

Expected Result: Entry and domestic spread of regulated animal diseases are controlled.	
What was planned in the 2007–2008 RPP?	**What was achieved?**
Under the Animal Compensation Program, the CFIA's Disposal Working Group will continue to develop protocols and standard operating procedures (SOPs) for other methods of disposal.	• Updated Composting Procedural Plan to guide disposal managers, contractors, and staff on composting as an effective disease control disposal option (applicable across animal species and hazards). • Provided guidance for composting of traditional and non-traditional livestock and poultry species and specific animal products, by-products, and related materials, such as litter, manure, and feed.
Review the Canadian Shellfish Sanitation Program (CSSP) for the safe harvesting and consumption of molluscan shellfish, to strengthen its delivery, governance, and policy framework.	• Responded to review recommendation for strengthening governance by setting up a CSSP Secretariat with partners (Fisheries and Oceans Canada and Environment Canada). • Consulting on enhanced management practices to protect shellfish harvest sites that are adjacent to wastewater treatment sites to ensure that contaminated shellfish do not enter the marketplace.
Continue to lead the National Aquatic Animal Health Program to meet international standards for aquatic animal health management set by the World Organisation for Animal Health (OIE).	• Conducted national stakeholder consultations and reviewed regulations that support the *Health of Animals Act* with a view to encompass aquatic animals and also reportable and notifiable diseases of concern for trade and for the productivity and sustainability of industry.
✦ Lead the development of the Integrated National Animal Health Strategy (NAHS) and continue to develop the Animal Health Science Strategy.	• Leading the NAHS initiative to address food safety, animal health, animal welfare, and environmental protection throughout the entire life span of the animal (conception to death). • First documented animal health strategy in Canada and possibly the world. • Lead the development and application of foresight in the development of a future-focussed agenda for animal health science in Canada.
✦ Advance CFIA's objectives within a National Livestock Traceability System and continue to develop and implement a national movement strategy for cattle identification, an age verification database for cattle, and a quality assurance program to ensure accuracy of age verification data.	• Working on a business case for a national portal for traceability. • Portal to improve upon information comprehensiveness and stakeholder coordination towards better emergency management.
✦ Contribute to the implementation of a National Wildlife Disease Strategy.	• Participated in national workshop of wildlife health professionals from Canada and the U.S. to review how current Canadian programs contribute to meeting the goals of the National Wildlife Disease Strategy and how to improve using available resources.
✦ Conduct transmissible spongiform encephalopathies (TSE) research to achieve a better understanding of the mechanisms by which chronic wasting disease (CWD) causes disease in animals.	• Developed and implemented a small scale live animal test that enables early (pre-clinical) diagnosis of scrapie in sheep and CWD in cervids (hoofed mammals).

What was planned in the 2007–2008 RPP?	What was achieved?
Conduct TSE research to determine disease markers and undertake genetic studies of scrapie in sheep to facilitate the development of better tests. Conduct TSE research to undertake strain typing of CWD and scrapie.	• A formal agreement with PrioNet Canada, a pan-Canadian network of centers of excellence for research into prions (the causal agent of diseases such as BSE and CWD) that formalizes collaborations to advance prion research and networking activities has been developed. (For more information regarding PrioNet, visit **http://www.prionetcanada.ca**). • Advancing knowledge and building supports for TSE control strategies for scrapie and BSE in small ruminents, including genetic susceptibility, transmission routes for preventing spread, timelines for infection and the tissues affected. • Implementing routine diagnostic tests from European reference laboratories that can distinguish between BSE and scrapie in sheep.
Conduct research on avian influenza and focus on understanding the ecology, pathogenicity, and transmission of viruses and developing rapid diagnostic tests, vaccines, and antivirals.	• Working with the international community to further genome sequencing to provide an even better understanding of the genetic complement. • Continuing research on the effect of H5 and H1 strains if they were to enter Canada in Canada geese, mallards, and other avian species. • Published multi-year project report on the Emerging and Infectious Diseases website. • Working to show that one test can detect multiple subtypes of avian influenza and collaborated with USDA on redesigned assay, applied to the H7 outbreak in the fall of 2007.
Conduct research to improve testing methods for high threat animal diseases such as foot-and-mouth disease and classical swine fever.	• Developed a tool to accurately diagnose foot-and-mouth disease in two to three hours for multiple species (sheep, goats, and cattle), implemented its use in Canada and shared it with Mexico. • Continuing to conduct research to develop a rapid test for classical swine fever. • Improved diagnostic tests for the rabies and contagious equine metritis a reportable disease in Canada and the focus of considerable international concern due to its potential to cause widespread, short term infertility in brood mares.

Expected Result: Agricultural products meet the requirements of federal acts and regulations.	
What was planned in the 2007–2008 RPP?	**What was achieved?**
Review the current legislative regime and capacity, and consult with other governments, departments and stakeholders to develop a Government of Canada policy for adventitious presence/unapproved events, plant molecular farming, and transgenic animals (and cloned animals).	• Participated in bilateral regulatory workshops with China and India. • Improved communication and continued work towards harmonized approaches to addressing adventitious presence and plant molecular farming, where possible, through dialogue with the U.S. and Mexico in the North American Biotechnology Initiative forum (NABI). • Assisted in developing Canada's regulatory and policy framework for plant molecular farming by chairing an interdepartmental group.
Inform the public about the CFIA's regulatory role in biotechnology.	• As lead department, redesigned the Government of Canada's Bioportal, the Government of Canada's largest and most visible website for information about biotechnology to enabling a national and international search engine resulting in over 15 million page views in 2007–2008. • Implementing the Notice of Submission initiative to allow the public to comment on submissions, and posting common questions on the website to explain the CFIA's regulatory role.

3.1.4 Strategic Outcome 4: Security from deliberate threats to Canada's food supply and agricultural resource base

Expected Result: The Agency is in a state of readiness for an effective, rapid response to emergencies.	
What was planned in the 2007–2008 RPP?	**What was achieved?**
✱ Establish a Canadian Veterinary Reserve and begin orientation and training of the initial reservists.	• Established the CVR in partnership with the Canadian Veterinary Medial Association and trained 140 reservists (340 applications received in total).

Expected Result: The Agency has the capacity to respond to emergencies.	
What was planned in the 2007–2008 RPP?	**What was achieved?**
Continue to work on developing better methods and procedures for detecting pathogens such as viruses, parasites, and bacteria in food, and for detecting zoonotic and foreign animal diseases.	• Conducted validation of alternative methodologies for faster detection of microbial contaminants such as E. coli and salmonella in food and validated method for detection of anthrax in food. • Maintained capacity to respond to foreign animal diseases of high economic impact, such as avian influenza and foot and mouth disease, by continuing to develop and assess methodologies to improve response time. • Collaborating with provinces, territories, and other countries to develop better science and test methodologies for emerging zoonotic diseases (laboratory containment levels 3 and 4) • Level 4 readiness has been maintained through the continuation of key programs such as the nipha virus, influenza viruses, and rift valley fever.
Provide new knowledge, technology, and capacity necessary for chemical, biological, radiological,-nuclear, and explosives (CBRNE) incident prevention, preparedness, and response.	• The CFIA continued to lead and collaborate on CRTI-funded projects to provide new knowledge, technology, and capacity necessary for CBRN prevention, preparedness, and response, including: – The Canadian Animal Health Surveillance Network, which will better prepare Canada to deal with an agro-terrorist event or zoonotic disease outbreak. – The development of a rapid test to identify chemical and biological warfare agents in food. – Composting and safe disposal of animal carcasses in the event of a bio-terrorism attack. – Development of technologies to detect agro-terrorism agents by veterinarians in the field. – Development of Canadian diagnostic capacity for Rift Valley fever virus.. For details of progress on these projects please view the following link: **http://www.css.drdc-rddc.gc.ca/crti/publications/index-eng.asp#symposium**.
Continue to co-chair the Biological cluster of federal laboratories with the Public Health Agency of Canada	• Continued to co-chair the cluster, which focuses on the joint needs of federal scientific laboratories and the operational community for addressing potential biological terrorist attacks.

3.2 Financial Performance

3.2.1 Reporting on Parliamentary Appropriations

Table 3–1: Comparison of Planned to Actual Spending (including FTEs)

($ millions)	2005–2006 Actual	2006–2007 Actual	2007–2008 Main Estimates	2007–2008 Planned Spending[41]	2007–2008 Total Authorities[42]	2007–2008 Total Actuals
Food Safety and Public Health	341.5	379.6	300.6	352.4	377.7	405.9
Science and Regulation	82.4	77.1	93.6	93.7	99.3	74.0
Animal and Plant Resource Protection	139.0	140.1	111.6	111.7	140.0	160.9
Public Security	25.2	23.8	81.6	81.6	97.3	40.5
Total[43]	**588.1**	**620.6**	**587.4[42]**	**639.4**	**714.3[42,44]**	**681.3[44]**
Less: Non-respendable revenue	0.5	0.4	N/A	1.1	N/A	0.6
Plus: Cost of services received without charge[45]	63.4	56.0	N/A	52.7	N/A	60.0
Total Agency Spending	**651.0**	**676.2**	**587.4**	**691.0**	**714.3**	**740.7**
Full-time Equivalents	**5,692**	**6,098**	**6,248**	**6,464**	**6,492**	**6,327**

[41] The "Planned Spending" column reflects the figures displayed in the 2007–2008 *Report on Plans and Priorities* for the Planned Spending year.

[42] The "Total Authorities" column refers to total spending authorities received at the beginning of the fiscal year (i.e. through Main Estimates), as well as funding received throughout the fiscal year.

The variance of $126.9 million between the 2007–2008 Main Estimates ($587.4M) and the 2007–2008 Total Authorities ($714.3M) is due to:

- 2006–2007 carry forward (Operating $45.4M and Capital $6.7M for total of $52.1M)
- Statutory Compensation Payments (increase of $9.1M over $1.5M based).
- Approved TB submissions and Adjustments (increase of $21.9M for the implementation of Enhanced Animal Feed Restrictions, $16.7M from Treasury Board's Management Reserve to relieve pressures due to a one-time retroactive payment resulting from the reclassification of meat inspector positions, $13.2M for TB Vote 23 (Paylist Shortfalls), $7.5M for TB Vote 15 (Collective Agreements) and $3.1M for Advertising Initiatives).
- Increase in Statutory Employee Benefits Plans ($3.0M).

[43] All figures are net of Respendable Revenues for the respective fiscal years ($58.4M in 2005–2006; $56.0M in 2006–2007;$55.0M for Main Estimates and Planned Spending and $58.4M for Total Authorities and Total Actuals in 2007–2008)

[44] The variance of $33.0M between Total Authorities ($714.3M) and Total Actuals ($681.3M) is mainly attributable to lapsing funds in:

- Operating Expenditures and Contributions ($28.4M)
- Capital Expenditures ($4.2M)

[45] Cost of services received without charge include accommodations provided by PWGSC at border crossings, airports and at other government departments, the employer's share of employees' insurance premiums and expenditures paid by TBS (excluding revolving funds), Workers Compensation coverage provided by Social Development Canada, audit services provided by the Office of the Auditor General of Canada and legal services provided by the Department of Justice Canada.

Table 3–2: Voted and Statutory Items

Vote or Statutory Item	Truncated Vote or Statutory Wording	2007–2008 ($ millions)			
		Main Estimates	Planned Spending	Total Authorities[42, page 58]	Total Actuals
30	Operating Expenditures and Contributions	495.1	544.8	602.0	573.6
35	Capital Expenditures	19.7	19.7	26.5	22.3
(S)	Compensation Payments under the *Health of Animals Act* and *Plant Protection Act*	1.5	1.5	10.6	10.6
(S)	Contributions to Employee Benefit Plans	71.1	73.4	74.1	74.1
(S)	Spending of proceeds from the disposal of surplus Crown assets	0.0	0.0	1.1	0.7
	Total[43, page 58]	**587.4**	**639.4**	**714.3**	**681.3**

Table 3–3: Sources of Respendable and Non-respendable Revenue

Respendable Revenue						
($ millions)			2007–2008			
	Actual 2005–2006	Actual 2006–2007	Main Estimates	Planned Revenue	Total Authorities	Actual
Food Safety and Public Health	34.5	32.7	31.3	31.3	32.7	32.7
Science and Regulation	15.7	17.4	12.6	12.6	19.4	19.4
Animal and Plant Resource Protection	8.2	5.9	10.9	10.9	6.3	6.3
Public Security	0.0	0.0	0.2	0.2	0.0	0.0
Total Respendable Revenue	**58.4**	**56.0**	**55.0**	**55.0**	**58.4**	**58.4**

Non-respendable Revenue						
($ millions)			2007–2008			
	Actual 2005–2006	Actual 2006–2007	Main Estimates	Planned Revenue	Total Authorities	Actual
Food Safety and Public Health	0.5	0.4	N/A	1.1	N/A	0.6
Science and Regulation	0.0	0.0	N/A	0.0	N/A	0.0
Animal and Plant Resource Protection	0.0	0.0	N/A	0.0	N/A	0.0
Public Security	0.0	0.0	N/A	0.0	N/A	0.0
Total Non-respendable Revenue	**0.5**	**0.4**	**N/A**	**1.1**	**N/A**	**0.6**

Table 3–4: Policy on Service Standards for External Fees

External Fee	Service Standard	Performance Results	Stakeholder Consultation
Fees charged for the processing of access requests filed under the *Access to Information Act* (ATIA)	Response provided within 30 days following receipt of request; response time may be extended pursuant to Section 9 of the ATIA. Notice of extension to be sent within 30 days of receipt of request.	Of the 416 requests completed under the ATIA last fiscal year, 274 (66%) were completed under 30 days; 49 (12%) were completed in 31 to 60 days; 81 (19%) were completed in 61 to 120 days; and 12 (3%) were completed 121 or over.	The service standard is established by the ATIA and the Access to Information Regulations. Consultations with stakeholders were undertaken by the Department of Justice and the Treasury Board Secretariat for amendments done in 1986 and 1992.
Destination Inspection Service (fresh fruits and vegetables) **www.inspection.gc.ca/english/fssa/frefra/dis/dise.shtml**	Goal is to achieve inspector response to 80% of the inspection requests within eight hours and 100% of requests within 24 hours by 2011.	First year national results: 70% in 8 hours and 85% within 24 hours.	Service standards were established for the newly created Destination Inspection Service, in consultation with Industry.
Veterinary Biologics Program Service Standards (The service standards refer to VBS calendar days, unless specified otherwise)		In fiscal year 2007–2008, the Veterinary Biologics Section made significant progress in eliminating backlogs, and is now meeting service standards for all key indicators, with very few exceptions.	To address stakeholders' concerns about capacity and timeliness of the regulatory approval process for animal health products, the CFIA Veterinary Biologics Section has formed a Canadian Animal Health Products Regulatory Advisory Committee (CAHPRAC) in collaboration with Health Canada's Veterinary Drugs Directorate.
Dossier Review (new submission, change in product formulation or change in label claim)		Met	
Canadian Manufacturers			
1. Review initial submission and prepare response	1) Response time 4 months maximum Average response time is 3 months	Met	
2. Review supplemental data and prepare response	2) Response time 6 weeks maximum Average response time is 4 weeks	Met	

External Fee	Service Standard	Performance Results	Stakeholder Consultation
American Manufacturers			
3. Review initial submission and prepare response	3) Response time 4 months maximum Average response time is 3 months	Met	
4. Review supplemental data and prepare response	4) Response time 6 weeks maximum Average response time is 4 weeks	Met	
Manufacturers from other countries			
5. Review initial submission and prepare response	5) Response time 6 months maximum Average response time is 4 months	Met	
6. Review supplemental data and prepare response	6) Response time 6 weeks maximum Average response time is 4 weeks	Met	
Laboratory Testing			
7. Each master cell line	7) Response time 4 months maximum Average response time is 3 months	Met	
8. Each master seed culture	8) Response time 4 months maximum Average response time is 3 months	Met	
9. Each pre-licensing serial tested, to a maximum of three	9) Response time is maximum 4 months Average response time is 3 months	Met	
Facility Inspections/Audits			
10. Canadian manufacturers	10) Annual Average is annual.	Met	
11. Canadian importers	11) Minimum every 3 years Average is every three years	Met	

External Fee	Service Standard	Performance Results	Stakeholder Consultation
Facility Inspections/Audits			
12. American manufacturers	12) Minimum every 3 years Average is every three years	Met	
13. Other non-Canadian manufacturers	13) Minimum every 4 years Average is every four years	Met	
14. Issuance of Permits, Licenses and Export Certificates	14) Response time maximum 2 weeks Average response time is 2 weeks.	Met	
Serial Release			
15. If not tested	15) Response time maximum 5 days Average response time is 2–3 days.	Met	
16. If tested	16) Response time maximum 35 days Average response time is 2 weeks.	Met	
17. Label Review and Approval	17) Response time maximum 4 weeks Average response time is 2 weeks.	Met	
18. Advertising Review and Approval	18) Response time maximum 4 weeks Average response time is 2 weeks.	Met	
19. Protocol Review for Efficacy/Safety Studies	19) Response time maximum 45 days Average response time is 30 days.	Met	
20. Production Outline Revisions	20) Response time maximum 4 weeks Average response time is 2 weeks.	Met	
21. Suspected Adverse Reactions	21) Response time maximum 4 weeks Average response time is 2 weeks.	Met	

External Fee	Service Standard	Performance Results	Stakeholder Consultation
Application for Feed Registration and Ingredient Approval **(i) Timeliness: For 90 percent or more of the applications received**			
	(a) Feed Section screens applications within ten days of receiving it.	TBD	
	(b) For products requiring a review of efficacy data, a preliminary review is conducted within 10 days of the screening date, and the results of the review are communicated to the applicant.	Met	
	(c) Feed Section conducts efficacy, livestock, human and environmental safety reviews and responds to applicant within 90 days.	Not met	
	(d) The laboratory does a desk review of proposed method of analysis within 4 weeks of receiving it. If laboratory testing is required, it will be done within 12 weeks of receiving a suitable method and test samples depending on availability of specialized equipment.	TBD	
(ii) Quality			
	(a) The Feeds Regulations are consistently interpreted and applied in registration/approval decisions.	Met	
	(b) Information is openly exchanged between clients and evaluation specialists.	Met	
	(c) Analytical methods are evaluated for specificity, selectivity, reliability and accuracy, using internationally standardized method validation procedures.	Met	

Table 3–5: Details on Transfer Payment Programs (TPPs)

1) Name of Transfer Payment Program: Statutory Compensation Payments						
2) Start Date: N/A	3) End Date: N/A					
4) Description: Compensation payments in accordance with requirements established by regulations under the *Health of Animals Act* and the *Plant Protection Act*, and authorized pursuant to the *Canadian Food Inspection Agency Act*.						
5) Strategic Outcomes: To compensate Canadians, in accordance with the appropriate regulations, for animals or plants ordered destroyed for the purpose of disease control.						
6) Results Achieved: Over 500 Canadians were compensated for animals and plants ordered destroyed.						
($ Millions)	7) Actual Spending 2005–2006	8) Actual Spending 2006–2007	9) Planned Spending 2007–2008	10) Total Authorities 2007–2008	11) Actual Spending 2007–2008	12) Variance(s) Between 9 and 11
13) Animal and Plant Resource Protection						
14) Total Grants	0.0	0.0	0.0	0.0	0.0	0.0
14) Total Contributions	0.0	0.0	0.0	0.0	0.0	0.0
14) Total Other Types of Transfer Payments	9.5	3.8	1.5	10.6	10.6	9.1
15) Total Animal and Plant Resource Protection	9.5	3.8	1.5	10.6	10.6	9.1
16) Comment on Variance: Actual compensation payments made to Canadians were $9.1 million higher than the $1.5 million that was earmarked in Planned Spending. This increase is due to Sudden Oak Death $7.1M (Plant Diseases), Chronic Wasting Disease $1.2M (Animal Diseases) and Emerald Ash Borer $0.7M (Plant Diseases).						
17) Significant Audit and Evaluation Findings and URL (s) to Last Audit and / or Evaluation: N/A						

Travel Policies

The Canadian Food Inspection Agency follows and uses the Treasury Board Secretariat's travel policy parameters.

3.2.2 Auditor General's Audit Opinion on Financial Statements and Audited Financial Statements

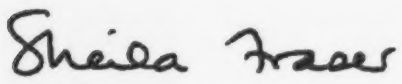
AUDITOR'S REPORT

To the President of the Canadian Food Inspection Agency and the Minister of Agriculture and Agri-Food Canada

I have audited the statement of financial position of the Canadian Food Inspection Agency as at March 31, 2008 and the statements of operations, equity of Canada and cash flow for the year then ended. These financial statements are the responsibility of the Agency's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2008 and the results of its operations and its cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.



Sheila Fraser, FCA
Auditor General of Canada

Ottawa, Canada
August 15, 2008

Financial Statements of

CANADIAN FOOD INSPECTION AGENCY

Year ended March 31, 2008

CANADIAN FOOD INSPECTION AGENCY

Statement of Management Responsibility

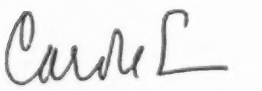
Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2008 and all information contained in these statements rests with the Agency's management. These financial statements have been prepared by management in accordance with Treasury Board accounting policies and year-end instructions issued by the Office of the Comptroller General which are consistent with Canadian generally accepted accounting principles for the public sector as required under Section 31 of the *Canadian Food Inspection Agency Act*.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfil its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the Agency's financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in the Agency's *Performance Report* is consistent with these financial statements.

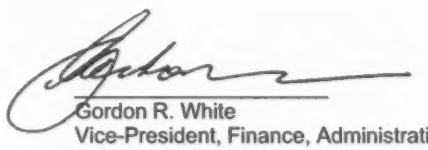
Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the *Financial Administration Act,* are executed in accordance with prescribed regulations, within Parliamentary authorities, and are properly recorded to maintain accountability of Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate division of responsibilities, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the Agency.

The Departmental Audit Committee is responsible for ensuring that the President has independent, objective advice, guidance, and assurance as to the adequacy of the Agency's control and accountability processes. In order to give this support to the President, the Departmental Audit Committee exercises active oversight of core areas of the Agency's controls and accountabilities, including values and ethics, risk management, management control framework, internal audit functions, and accountability reporting.

The financial statements of the Agency have been audited by the Auditor General of Canada, the independent auditor for the Government of Canada.



Carole Swan
President



Gordon R. White
Vice-President, Finance, Administration and Information Technology

Ottawa, Canada
August 15th, 2008

CANADIAN FOOD INSPECTION AGENCY

Statement of Financial Position

As at March 31
(In thousands of dollars)

	2008	2007
Assets		
Financial assets:		
Due from the Consolidated Revenue Fund	$ 77,326	$ 76,644
Accounts receivable and advances (Note 4)	8,679	18,160
	86,005	94,804
Non-financial assets:		
Inventory	1,310	1,088
Tangible capital assets (Note 5)	203,190	202,265
	204,500	203,353
	$ 290,505	$ 298,157
Liabilities		
Accounts payable and accrued liabilities	$ 81,773	$ 94,195
Vacation pay	28,051	26,919
Deferred revenue	1,611	2,384
Employee severance benefits (Note 6)	90,569	83,564
	202,004	207,062
Equity of Canada	88,501	91,095
	$ 290,505	$ 298,157

Contingent liabilities (Note 8)
Contractual obligations (Note 9)

The accompanying notes are an integral part of these financial statements.

Approved by:

Carole Swan
President

Gordon R. White
Vice-President, Finance, Administration and Information Technology

CANADIAN FOOD INSPECTION AGENCY

Statement of Operations

Year ended March 31
(In thousands of dollars)

	2008					2007
	Food Safety and Public Health	Science and Regulation	Animal and Plant Resource Protection	Public Security	Total	Total
Revenues						
Inspection fees	$29,093	$9,558	$4,154	$ -	$42,805	$40,490
Registrations, permits, certificates	2,436	7,982	1,275	-	11,693	10,575
Miscellaneous fees and services	504	2,324	1,050	-	3,878	3,920
Establishment license fees	1,633	143	-	-	1,776	1,938
Grading	222	2	-	-	224	223
Administrative monetary penalties	288	177	57	-	522	371
Interest	41	24	8	-	73	49
Total Revenues	34,217	20,210	6,544	-	60,971	57,566
Operating expenses						
Salaries and employee benefits	356,531	67,121	138,337	16,488	578,477	502,955
Professional and special services	41,885	13,205	16,763	1,126	72,979	84,797
Travel and relocation	15,529	2,644	9,109	861	28,143	30,169
Amortization	14,603	2,913	5,915	693	24,124	22,301
Accommodation	13,770	2,720	5,582	650	22,722	24,793
Utilities, materials and supplies	12,933	1,903	7,165	788	22,789	23,737
Furniture and equipment	6,848	1,133	2,823	528	11,332	15,341
Communications	6,708	1,296	2,977	396	11,377	11,272
Repairs	5,704	690	2,512	982	9,888	11,656
Equipment rentals	1,087	205	954	55	2,301	2,342
Information	2,824	577	1,660	133	5,194	4,692
Loss (gain) on disposal of tangible capital assets	59	12	24	3	98	29
Miscellaneous	533	1,134	199	35	1,901	688
Total operating expenses	479,014	95,553	194,020	22,738	791,325	734,772
Transfer payments						
Compensation payments (Note 7)	-	-	10,630	-	10,630	3,754
Other	1,266	15	1,401	-	2,682	932
Total transfer payments	1,266	15	12,031	-	13,312	4,686
Total Expenses	480,280	95,568	206,051	22,738	804,637	739,458
Net Cost of Operations	$446,063	$75,358	$199,507	$22,738	$743,666	$681,892

The accompanying notes are an integral part of these financial statements.

CANADIAN FOOD INSPECTION AGENCY

Statement of Equity of Canada

Year ended March 31
(In thousands of dollars)

	2008	2007
Equity of Canada, beginning of year	$ 91,095	$ 96,203
Net cost of operations	(743,666)	(681,892)
Net cash provided by Government of Canada	679,972	612,929
Change in due from the Consolidated Revenue Fund	682	7,281
Services received without charge from other government departments (Note 10)	60,037	56,039
Assets funded by other government departments	381	535
Equity of Canada, end of year	$ 88,501	$ 91,095

The accompanying notes are an integral part of these financial statements.

CANADIAN FOOD INSPECTION AGENCY

Statement of Cash Flow

Year ended March 31
(In thousands of dollars)

	2008	2007
Operating activities		
Cash received from:		
Fees, permits and certificates	$ (60,298)	$ (58,253)
Cash paid for:		
Salaries and employee benefits	522,065	464,359
Operating and maintenance	183,266	170,811
Transfer payments	10,040	4,582
Cash used by operating activities	655,073	581,499
Capital investment activities		
Acquisition of tangible capital assets	25,252	31,925
Proceeds from disposal of assets	(353)	(495)
Cash used by capital investment activities	24,899	31,430
Financing activity		
Net cash provided by Government of Canada	$ (679,972)	$ (612,929)
Net cash used	$ -	$ -

The accompanying notes are an integral part of these financial statements.

CANADIAN FOOD INSPECTION AGENCY

Notes to the Financial Statements

Year ended March 31, 2008

1. Authority and Purposes

The Canadian Food Inspection Agency (the "Agency") was established, effective April 1, 1997, under the *Canadian Food Inspection Agency Act*. The *Act* consolidates all federally mandated food and fish inspection services and federal animal and plant health activities into a single agency.

The Agency is a departmental corporation named in Schedule II to the *Financial Administration Act* and reports to Parliament through the Minister of Agriculture and Agri-Food.

The mandate of the Agency is to enhance the effectiveness and efficiency of federal inspection and related services for food, animals and plants. The objectives of the Agency are to contribute to a safe food supply and accurate product information; to contribute to the continuing health of animals and plants; and to facilitate trade in food, animals, plants, and related products.

In delivering its mandate, the Agency operates under the following program activities:

(a) Food Safety and Public Health: ensures that food is safe, consumers have appropriate information on which to base healthy food choices and prevents the transmission of animal disease to humans.

(b) Science and Regulation: provides a fair and effective regulatory regime for food, animals and plants, and maintains the integrity of the Agency's regulatory policy, inspection and certification activities.

(c) Animal and Plant Resource Protection: protects Canada's livestock, crops and forests from regulated pests and diseases including invasive species and regulates agricultural products, including products of biotechnology.

(d) Public Security: contributes to public security and agri-food security.

The Agency is responsible for the administration and enforcement of the following acts: *Agriculture and Agri-Food Administrative Monetary Penalties Act*, *Canada Agricultural Products Act*, *Canadian Food Inspection Agency Act*, *Feeds Act*, *Fertilizers Act*, *Fish Inspection Act*, *Health of Animals Act*, *Meat Inspection Act*, *Plant Breeders' Rights Act*, *Plant Protection Act*, and *Seeds Act*.

In addition, the Agency is responsible for enforcement of the *Consumer Packaging and Labelling Act* and the *Food and Drugs Act* as they relate to food, except those provisions that relate to public health, safety, or nutrition.

The Minister of Health remains responsible for establishing policies and standards relating to the safety and nutritional quality of food sold in Canada. The Minister of Health is also responsible for assessing the effectiveness of the Agency's activities related to food safety.

Operating and capital expenditures are funded by the Government of Canada through parliamentary appropriations. Compensation payments under the *Health of Animals Act* and the *Plant Protection Act* and employee benefits are authorized by separate statutory authorities. Revenues generated by its operations are deposited to the Consolidated Revenue Fund and are available for use by the Agency.

CANADIAN FOOD INSPECTION AGENCY

Notes to the Financial Statements

Year ended March 31, 2008

2. Summary of Significant Accounting Policies

The financial statements are prepared in accordance with Treasury Board accounting policies and year-end instructions issued by the Office of the Comptroller General which are consistent with Canadian generally accepted accounting principles for the public sector as required under Section 31 of the *Canadian Food Inspection Agency Act.*

Significant accounting policies are as follows:

(a) Parliamentary appropriations

The Agency is mainly financed by the Government of Canada through parliamentary appropriations. Appropriations provided to the Agency do not parallel financial reporting according to generally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the statement of operations and the statement of financial position are not necessarily the same as those provided through appropriations from Parliament. Note 3 provides a high level reconciliation between the bases of reporting.

(b) Net cash provided by Government of Canada

The Agency operates within the Consolidated Revenue Fund (CRF), which is administrated by the Receiver General for Canada. All cash received by the Agency is deposited to the CRF and all cash disbursements made by the Agency are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.

(c) Due from the Consolidated Revenue Fund (CRF)

Due from the CRF represents the amount of cash that the Agency is entitled to draw from the CRF without further appropriations to discharge its liabilities. These amounts have been charged to current or prior years' appropriations but will be paid in the future.

(d) Revenues

Revenues for fees, permits and certificates are recognized in the accounts based on the services provided in the year.

Funds received from external parties for specified purposes are recorded upon receipt as deferred revenue. Revenue from external parties for specified purposes is recognized in the period in which the related expenses are incurred.

(e) Expenses

Expenses are recorded on an accrual basis:

- Grants are recognized in the year in which the conditions for payment are met. In the case of grants which do not form part of an existing program, the expense is recognized when the Government announces a decision to make a non-recurring transfer, provided

CANADIAN FOOD INSPECTION AGENCY

Notes to the Financial Statements

Year ended March 31, 2008

the enabling legislation or authorization for payment receives parliamentary approval prior to the completion of the financial statements.

- Contributions are recognized in the year in which the recipient has met the eligibility criteria or fulfilled the terms of a contractual transfer agreement.
- Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.
- Services provided without charge by other government departments for accommodation, the employer's contribution to the health and dental insurance plans and legal services are recorded as operating expenses at their estimated cost.

(f) Employee future benefits

(i) Pension benefits:

The Agency's eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. Both the employees and the Agency contribute to the cost of the Plan. The Agency's contributions are expensed during the year in which the services are rendered and represent the total pension obligation of the Agency. The Agency is not required under present legislation to make contributions with respect to actuarial deficits of the Public Service Pension Plan.

(ii) Severance benefits:

Eligible employees are entitled to severance benefits, as provided for under labor contracts and conditions of employment. The cost of these benefits is accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

(iii) Other future benefit plans:

The federal government sponsors a variety of other future benefit plans from which employees and former employees can benefit during or after employment or upon retirement. The Public Service Health Care Plan and the Pensioners' Dental Services Plan represent the two major future benefit plans available to the Agency's employees.

The Agency does not pay for these programs as they fall under the federal government's financial responsibilities, but the Agency records its share of the annual benefits paid under these programs as a service provided without charge by other government departments. No amount is recorded in the Agency's financial statements with regard to either the actuarial liability of these programs at year end or the annual increase of such liabilities.

(g) Accounts receivable and advances

Accounts receivable and advances are stated at amounts expected to be ultimately realized; a provision is made for receivables where recovery is considered uncertain.

CANADIAN FOOD INSPECTION AGENCY

Notes to the Financial Statements

Year ended March 31, 2008

(h) Contingent liabilities

Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

(i) Environmental liabilities

Environmental liabilities reflect the estimated costs related to the management and remediation of environmentally contaminated sites. Based on management's best estimates, a liability is accrued and an expense recorded when the contamination occurs or when the Agency becomes aware of the contamination and is obligated, or is likely to be obligated to incur such costs. If the likelihood of the Agency's obligation to incur these costs is not determinable, or if an amount cannot be reasonably estimated, the costs are disclosed as contingent liabilities in the notes to the financial statements.

(j) Inventories

Inventories consist of laboratory materials, supplies and livestock held for future program delivery and not intended for re-sale. They are valued at cost. If they no longer have service potential, they are valued at the lower of cost or net realizable value.

(k) Tangible capital assets

All tangible capital assets and leasehold improvements having an initial cost of $10,000 ($3,000 for computer equipment and software) or more are recorded at their acquisition cost. Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

Asset class	Amortization Period
Buildings	20-30 years
Machinery and equipment	5-20 years
Computer equipment and software	3-10 years
Vehicles	7-10 years
Leasehold improvements	Lesser of the remaining term of the lease or useful life of the improvement
Assets under construction	Once in service, in accordance with asset class

(l) Measurement uncertainty

The preparation of these financial statements in accordance with Treasury Board accounting policies and year-end instructions issued by the Office of the Comptroller General which are consistent with Canadian generally accepted accounting principles for the public sector requires management to make estimates and assumptions that affect the reported amounts

CANADIAN FOOD INSPECTION AGENCY

Notes to the Financial Statements

Year ended March 31, 2008

of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are contingent liabilities (include claims and litigation), the liability for employee severance benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

3. Parliamentary Appropriations

The Agency receives most of its funding through annual Parliamentary appropriations. Items recognized in the statement of operations and the statement of financial position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, the Agency has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

(a) Reconciliation of net cost of operations to current year appropriations used:

(in thousands of dollars)	2008	2007
Net cost of operations	$743,666	$681,892
Adjustments for items affecting net cost of operations but not affecting appropriations:		
Add (less):		
Services received without charge from other government departments	(60,037)	(56,039)
Amortization of tangible capital assets	(24,124)	(22,301)
Revenue not available for spending	607	412
Net changes in future funding requirements	(3,520)	(14,524)
Low value assets funded by other government departments	(132)	(219)
Gain (loss) on disposal of tangible capital assets	(98)	(29)
	(87,304)	(92,700)
Adjustments for items not affecting net cost of operations but affecting appropriations:		
Add (less):		
Acquisition of tangible capital assets	25,252	31,925
Proceeds from disposal of assets	(353)	(495)
	24,899	31,430
Current year appropriations used	$681,261	$620,622

CANADIAN FOOD INSPECTION AGENCY

Notes to the Financial Statements

Year ended March 31, 2008

(b) Appropriations provided and used:

(in thousands of dollars)	2008	2007
Vote 30 - Operating expenditures	$601,941	$564,783
Vote 35 - Capital expenditures	26,493	28,144
Statutory contributions to employee benefits plans and compensation payments	85,872	69,045
Less:		
Appropriations available for future years	(386)	(328)
Lapsed appropriation – operating	(28,488)	(34,264)
Lapsed appropriation – capital	(4,171)	(6,758)
Current year appropriations used	$681,261	$620,622

(c) Reconciliation of net cash provided by Government to current year appropriations used:

(in thousands of dollars)	2008	2007
Net cash provided by Government of Canada	$679,972	$612,929
Revenue not available for spending	607	412
Change in due from the Consolidated Revenue Fund		
Variation in accounts receivable and advances	9,481	(9,444)
Variation in accounts payables and accrued liabilities	(12,422)	20,808
Variation in deferred revenue	(773)	595
Other adjustments	4,396	(4,678)
	682	7,281
Current year appropriations used	$681,261	$620,622

CANADIAN FOOD INSPECTION AGENCY

Notes to the Financial Statements

Year ended March 31, 2008

4. Accounts Receivable and Advances

The following table presents details of accounts receivable and advances:

(in thousands of dollars)	2008	2007
Receivables from other government departments and agencies	$2,448	$11,882
Receivables from external parties	6,731	6,540
Employee advances	150	188
	9,329	18,610
Less:		
Allowance for doubtful accounts on external receivables	(650)	(450)
Total	$8,679	$18,160

5. Tangible Capital Assets

(in thousands of dollars)

	Cost				Accumulated amortization					
Capital asset class	Opening balance	Acquisitions	Disposals and write-offs	Closing balance	Opening balance	Amortization	Disposals and write-offs	Closing balance	2008 Net book value	2007 Net book value
Land	$3,331	$ -	$ -	$3,331	$ -	$ -	$ -	$ -	$3,331	$3,331
Buildings	251,862	1,330	-	253,192	150,229	8,813	(11)	159,053	94,139	101,633
Machinery and equipment	76,173	7,577	4,462	79,288	27,902	4,549	1,524	30,927	48,361	48,271
Computer equipment and software	44,373	6,569	2,875	48,067	34,802	4,884	2,574	37,112	10,955	9,571
Vehicles	37,296	1,353	3,571	35,078	13,981	4,848	3,370	15,459	19,619	23,315
Assets under construction	12,106	10,167	1,437	20,836	-	-	-	-	20,836	12,106
Leasehold improvements	10,256	2,941	-	13,197	6,218	1,030	-	7,248	5,949	4,038
	$435,397	$29,937	$12,345	$452,989	$233,132	$24,124	$7,457	$249,799	$203,190	$202,265

Amortization expense for the year ended March 31, 2008 is $24,124 (2007 - $22,301).

CANADIAN FOOD INSPECTION AGENCY

Notes to the Financial Statements

Year ended March 31, 2008

6. Employee Benefits

(a) Pension benefits

The Agency's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Quebec Pension Plans benefits and are indexed to inflation.

Both the employees and the Agency contribute to the cost of the Plan. In 2007-2008, the Agency contributed $54,322,000 (2007 - $47,948,000), which represents approximately 2.23 times (2007 – 2.45 times) the contributions by employees.

The Agency's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

(b) Severance benefits

The Agency provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded and will be paid from future appropriations. Information about the severance benefits, measured as March 31, is as follows:

(in thousands of dollars)	2008	2007
Accrued benefit obligation, beginning of year	$83,564	$75,447
Expense for the year	14,127	14,806
Benefits paid during the year	(7,122)	(6,689)
Accrued benefit obligation, end of year	$90,569	$83,564

7. Compensation Payments

The *Health of Animals Act* and the *Plant Protection Act* allow for the Minister, via the Agency, to compensate owners of animals and plants destroyed pursuant to the Acts. During the year, compensation payments incurred pursuant to these two Acts totalled $10,630,000 (2007 - $3,754,000). These payments pertained to the following diseases:

(in thousands of dollars)	2008	2007
Sudden Oak Death (new regulation)	$7,052	$ -
Chronic Wasting Disease	1,180	295
Emerald Ash Borer	507	661
Avian Influenza	468	738
Potato Cyst Nematode	136	453
Other	1,287	1,607
	$10,630	$3,754

CANADIAN FOOD INSPECTION AGENCY

Notes to the Financial Statements

Year ended March 31, 2008

8. Contingent Liabilities

(a) Contaminated sites

Liabilities are accrued to record the estimated costs related to the management and remediation of contaminated sites where the Agency is obligated or likely to be obligated to incur such costs. There are currently no known contaminated sites identified where such action is possible. The Agency's ongoing effort to assess contaminated sites may result in additional environmental liabilities related to newly identified sites, or changes in the assessments or intended use of existing sites. These liabilities will be accrued by the Agency in the year in which they become known.

(b) Claims and litigation

Claims have been made against the Agency in the normal course of operations. Class action suits against the Agency and other defendants include those related to bovine spongiform encephalopathy (BSE) for which amounts and likelihood of liability cannot be determined. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimate of liability is accrued and an expense recorded in the financial statements. Amounts accrued for contingent liabilities as at March 31, 2008 totalled $839,000.

9. Contractual Obligations

The nature of the Agency's activities can result in some large multi-year contracts and agreements whereby the Agency will be obligated to make future payments when the services/goods are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

(in thousands of dollars)	2009	2010	2011	2012	2013 and thereafter	Total
Capital projects	$1,846	$ -	$ -	$ -	$ -	$1,846
Operating leases	244	199	173	172	169	957
Transfer payments	2,763	800	258	-	-	3,821
Other agreements	4,706	2,194	2,015	1,589	-	10,504
Total	$9,559	$3,193	$2,446	$1,761	$169	$17,128

CANADIAN FOOD INSPECTION AGENCY

Notes to the Financial Statements

Year ended March 31, 2008

10. Related Party Transactions

The Agency is related as a result of common ownership to all Government of Canada departments, agencies, and Crown corporations. The Agency enters into transactions with these entities in the normal course of business and on normal trade terms.

a) Services provided without charge from other government departments

During the year, the Agency received without charge from other departments, accommodation, legal services and the employer's contribution to the health and dental insurance plans. These services without charge have been recognized in the Agency's Statement of Operations as follows:

(in thousands of dollars)	2008	2007
Accommodation	$22,238	$24,052
Employer's contribution to the health and dental insurance plans	36,031	27,458
Legal services	1,586	4,354
Audit services	182	175
	$60,037	$56,039

The Government of Canada has structured some of its administrative activities for efficiency and cost-effectiveness purposes so that one department performs these on behalf of all without charge. The cost of these services, which include payroll and cheque issuance services provided by Public Works and Government Services Canada, are not included in the Agency's Statement of Operations.

b) Receivables and payables outstanding at year-end with related parties are as follows:

(in thousands of dollars)	2008	2007
Accounts receivable from other government departments and agencies	$2,448	$11,882
Accounts payable to other government departments and agencies	7,913	6,902

11. Comparative Information

Certain comparative figures have been reclassified to conform to the current year's presentation.

CANADIAN FOOD INSPECTION AGENCY

Notes to the Financial Statements

Year ended March 31, 2008

12. Subsequent Events

On June 5, 2008, the President of the CFIA announced the decision to consolidate import document review with the creation of a single import service centre. As a result of this decision, the three existing Import Service Centres will be consolidated into the National Import Service Centre. This change will better position the CFIA to meet Government priorities by providing programs and services that are streamlined and better focused on the Agency's core mandate.

On July 28, 2008, the Treasury Board approved the remission of certain fees that were charged to industry in 2007-08 and the implementation of a maximum fee for animal health export certification for one year beginning on October 1, 2008. As a result of this decision, the Agency's revenues would be reduced by $5,000,000 over the next two fiscal years.

3.3 Horizontal Initiatives

Horizontal initiatives, as defined by TBS guidelines, are initiatives in which partners from two or more organizations have received program funding and have formally agreed (e.g. Memoranda to Cabinet, Treasury Board Submissions, and federal/provincial agreements) to work together to achieve shared outcomes. The following table outlines the CFIA's horizontal initiatives for 2007–2008.

Table 3–6: CFIA Horizontal Initiatives for 2007–2008

Initiative	Profile	Partners
Building Public Confidence in Pesticide Regulation and Improving Access to Pest Management Products (BPC)	This initiative incorporates efforts of six federal government partners to increase public and stakeholder confidence in the pesticide regulatory system, to protect health and environment, to increase compliance, and to increase the competitiveness of the agri-food and forestry sectors. The CFIA is delivering on two of the 13 programs: • Enhanced monitoring and enforcement of pesticide residue limits in foods and feed (Chemical Residues, Food Safety) • Enhanced monitoring and enforcement of pesticide residues in fertilizers and pesticide guarantee verification in fertilizer-pesticide combinations (Fertilizer Section, Plant Products Directorate) A total of $5.1 million was allocated to the CFIA to cover these two programs over a seven-year period, starting in 2002–2003 and ending in 2008–2009. A formative evaluation was conducted in 2005–2006 to assess strengths and weaknesses of the initiative and identify adjustments required to achieve the planned outcomes. In 2006–2007, a summative evaluation was initiated will be conducted in order to examine progress toward achievement of expected outcomes. An evaluation working group was established in 2007–2008 to provide input for the completion of the summative evaluation. In 2007–2008, the CFIA continued its initiative of enhanced monitoring and enforcement of pesticide residues in fertilizer and pesticide guarantee verification in fertilizer-pesticide combinations. Improvements included increased sampling, increased awareness, increased communication with PMRA and stakeholders through consultations, working groups and forums, and enhanced targeting of non-compliant samples in order to increase future compliance.	**Lead:** Health Canada (Pest Management Regulatory Agency) • Agriculture and Agri-Food Canada • Department of Fisheries and Ocean • Environment Canada • Natural Resources Canada

Initiative	Profile	Partners
Public Security and Anti-terrorism (PSAT) Initiative	In the 2001 federal budget, the government allocated $7.7 billion in new funds to be spent over the next five years on the PSAT initiative to enhance security for Canadians. As a contributing agency, the CFIA will • deliver all federal food inspection, animal health, and plant protection measures; and • respond to outbreaks of pests and diseases in plants and animals. More information on this initiative can be found in Section 2.4.	**Lead:** Public Safety Canada • Provinces/ Territories • Canada Border Service Agency
Avian and Pandemic Influenza Preparedness: Focus on Animal and Human Health Issues	Canada is facing two major, inter-related animal and public health threats: the potential spread of avian influenza virus (H5N1) to wild birds and domestic fowl in Canada and the potential for a human-adapted strain to arise, resulting in human-to-human transmission, potentially triggering a human influenza pandemic. A coordinated and comprehensive plan to address both avian and pandemic influenza is required. Under the umbrella of "Preparing for Emergencies," in 2006 the CFIA obtained $195 million to be spent over five years to enhance Canada's state of AI preparedness. Canada's Avian Influenza Working Group was established in 2006 to update policies, protocols, operating procedures, and systems to enhance Canada's state of preparedness – through collaborations and partnership – in five pillars of strategies and processes for prevention and early warning, emergency preparedness, emergency response, recovery, and communications.	**Lead:** Public Health Agency of Canada • Public Safety and Emergency Preparedness Canada • Health Canada • Environment Canada • Provinces/Territories • Agriculture and Agri-Food Canada
Chemical, Biological Radiological-Nuclear, and Explosives (CBRNE) Research and Technology Initiative (CRTI)	The events of September 11, 2001 moved the issues of counter terrorism and national security to the forefront of the nation's concerns. CRTI represents the federal science community's response and commitment to providing science solutions to these issues. Through the creation of laboratory networks across the federal government that collaborate with industry, academia and first responder communities, and through key research and technology development initiatives, the CFIA will provide new knowledge, technology, and capacity necessary for CBRNE prevention preparedness and response. As well, the CFIA will continue to co-chair the biological cluster of federal laboratories with the Public Health Agency of Canada. Current CRTI related research initiatives include: • Develop more effective rapid detection tests; including those that use high throughput techniques and nanotechnology for sensitive and more efficient detection. • Continue to develop surveillance and communication networks with provincial partners in order to improve early detection of high threat animal diseases and improve linkages, and with the National U.S. Animal Health Laboratory Network.	**Lead:** Department of National Defence • Agriculture and Agri-Food Canada • Canadian Nuclear Safety Commission • Canadian Security Intelligence Service • Defence Research and Development Canada • Fisheries and Oceans Canada • Environment Canada • Health Canada • Public Health Agency of Canada • National Research Council • Natural Resources Canada • Public Safety Canada • Royal Canadian Mounted Police • Transport Canada

Initiative	Profile	Partners
Canadian Regulatory System for Biotechnology	The Canadian Regulatory System for Biotechnology (CRSB) aims to develop an efficient, credible and well-respected regulatory system that safeguards the health of all Canadians and the environment and permits safe and effective products. It does this by enhancing human resource capacity, improving the efficiency and effectiveness of the regulatory system, improving transparency and public awareness, and increasing knowledge to improve decision making. The CRSB will also continue to provide a bridge to adapt to emerging novel applications of biotechnology, as guided by principles outlined in the Cabinet Directive on Streamlining Regulation and by a strengthened horizontal governance mechanism for shared regulatory policy development and decision making. The CRSB departments and agencies will be implementing the results of a summative evaluation, which identified that expected results are being achieved.	**Lead:** Rotating • Health Canada • Environment Canada • Industry Canada • Fisheries and Oceans Canada • Natural Resources Canada
AAFC-CFIA MOU on the Agricultural Policy Framework (APF)	On December 2, 2003, the President of the CFIA and the Deputy Minister of AAFC signed a Memorandum of Understanding between the CFIA and AAFC on the APF. The MOU sets out general terms, roles, and responsibilities for the management of the following initiatives funded under the APF and implemented by the CFIA: Medicated Feed Regulations; and On-Farm Food Safety Recognition Program. A total amount of $27.0 million is provided to the CFIA under the APF to cover the two initiatives over a five-year period, starting on April 1, 2003.	• Agriculture and Agri-Food Canada
More information on horizontal initiatives can be found at: **http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/profil_e.asp**		

3.4 Internal Audits and Evaluations

Table 3–7: Internal Audits and Evaluations

Subject of Audit/ Review/ Evaluation	Status as of March 31, 2008	Electronic link
Audits		
Imported Food	Ongoing – Scheduled Completion Fall 2008	N/A
Food Labelling	Ongoing – Scheduled Completion Fall 2008	N/A
Plant Protection	Ongoing.	N/A
Food Safety (non-registered sector)	Deferred – Partial coverage in Audit of Imported Food; need for further work to be re-assessed.	N/A
Food Safety Enhancement Program	Ongoing – Scheduled Completion June 2008.	To be posted.
Human Resources Management	Complete – Approved October 2007.	http://www.inspection.gc.ca/english/agen/eval/hrmangene.shtml
Physical Security	Complete – Approved August 2007.	http://www.inspection.gc.ca/english/agen/eval/physece.shtml
Delegated Financial Authorities	Complete – Approved January 2008.	http://www.inspection.gc.ca/english/agen/eval/finance.shtml
Review		
Food Emergency Response Review (Follow-Up)	Not completed.	N/A
Evaluations		
Canadian Regulatory Strategy for Biotechnology (Inter-departmental – Summative)	Complete – Approved December 2006.	http://www.inspection.gc.ca/english/agen/eval/rege.shtml
Feed Program (Formative)	Complete – Approved August 2007.	None.
Shellfish Sanitation Program (Formative)	Complete – Approved July 2007.	http://www.inspection.gc.ca/english/agen/eval/csspccsm/shemosse.shtml
Public Security and Anti-Terrorism Initiative (Formative)	Ongoing.	N/A
Hazard Analysis Critical Control Point Program (Formative)	Ongoing.	N/A
On-Farm Food Safety Program (Formative)	Ongoing.	N/A
Alternative Dispute Resolution	Complete – Approved February 2008.	None.

CFIA Audit Committee

As set out in the 2006 Internal Audit Policy, and included in the responsibilities set out in the engagement letters between the external members and the Government of Canada, one of the key responsibilities of the Audit Committee is to advise the President on the Agency's system of internal controls and to report annually on concerns arising from this assessment. These responsibilities, in accordance with the Policy, were to be phased in over a three-year period (2006–2009). The CFIA is an early adopter of many features in the 2006 Policy, including establishing an Audit Committee with external members. The Audit Committee with external members was phased in over the past 12 months, the three external members joined the Committee on October 30, 2007. With this recent transition, the Audit Committee could only partially complete its responsibilities for fiscal year 2007–2008.

Recommendations for Improvement of Risk Management Controls and Accountability Processes

The Audit Committee has advised the President and Agency on matters related to audit reports approved (i.e. the Audits of the Management of Human Resources and Food Safety Enhancement Program), including how best to monitor and follow up on specific recommendations.

Based on the oversight work of the Committee since October 2007, no other matter has come to its attention that would cause the Committee to recommend improvements of risk management, controls and accountability processes at this time.

For supplementary information on the agency's Internal Audits and Evaluations, please visit: **http://www.inspection.gc.ca/english/agen/eval/evale.shtml**

3.5 Agency Regulatory Plans

Table 3–8: Agency Regulatory Plans

Regulations	Expected Results	Performance Measurement Criteria	Results Achieved
Medicated Feeds Regulations *(Health of Animals Act)*			
New regulations are being developed under the *Health of Animals Act* that will regulate how feeds are manufactured and will implement manufacturing to ensure that finished products meet regulatory standards. These regulations will apply to both commercial and non-commercial manufacturing operations that wish to manufacture any kind of medicated feed on their premises.	Harmonization of Canadian regulations with international standards, guidelines, and recommendations will facilitate international trade by providing Canadian exporters of medicated feeds, live animals, and animal products with increased certainty in their export markets. Licensing and standards will reduce the risks of overmedication, which can lead to medication residues in food, and undermedication, which can lead to resistant strains of diseases.	Maintenance of access to international markets for medicated feeds, as well as products produced in Canada from livestock that may be fed medicated feeds.	Regulation not yet promulgated.
Humane Transport of Animals *(Health of Animals Regulations)*			
The purpose of Part XII of the *Health of Animals Regulations* is to set reasonable standards of care to maintain the welfare of animals in transit. The regulations, now outdated, require modernisation, strengthening and clarification. Carriers will be given improved ability to apply their knowledge and expertise to achieve positive transport outcomes.	Improve the enforcement of animal welfare standards during transport. Harmonize, where possible, with US and EU standards.	Reduction in the number of serious animal harm situations that cannot be successfully prosecuted. Improvement in animal welfare during transport. Maintenance of ability to meet OIE and EU standards for trade in live animals.	Regulation not yet promulgated.

Regulations	Expected Results	Performance Measurement Criteria	Results Achieved
Meat Inspection Regulations – Amend ***(Meat Inspection Act)***			
The purpose of the *Meat Inspection Act and Regulations* is to regulate the import, export and inter-provincial trade in meat products, the registration of establishments, the inspection of animals and meat products in registered establishments, and the standards for animals slaughtered and for meat products prepared in those establishments.	Reflect the adoption of mandatory HACCP in the entire sector. Make the Regulations more outcome oriented/less-prescriptive so as to enhance the regulatory framework.	Enable Canadian industry large and small to produce safe and suitable meat for interprovincial and international trade.	Regulation not yet promulgated.
Fresh Fruit and Vegetable Regulations/Licensing and Arbitration Regulations – Regulatory Review ***(Canada Agricultural Products Act)***			
This initiative is intended to enhance the current Canadian regulatory regime governing product grade and trading standards, dispute resolution, and deceptive practices.	Require dealers who market fresh fruits and vegetables interprovincially and internationally to have a Federal Produce Licence.	Reduce administrative costs for small businesses. Improve service in the area of Destination Inspection Service.	Regulation not yet promulgated.
Aquatic Animal Health ***(Health of Animals Act)***			
Amendments to *Health of Animals Regulations* and *Reportable Disease Regulations* to implement controls to prevent the introduction into or spread within Canada and to provide the legislative base for Canada's National Aquatic Animal Health Program (NAAHP). Federal oversight is required to meet international trade standards. The proposed amendments add aquatic animals and diseases of federal and international significance to the regulatory framework currently applied to terrestrial animals.	To meet the international standards for control of diseases of aquatic animals, and protect current markets vulnerable to market closure because Canada's infrastructure currently lags behind international standards for aquatic animal health control. The regulatory amendments will also reduce Canada's current vulnerability to losses by a wide range of seafood sector users due to introduction or spread of diseases.	Maintenance of access to international markets. Meeting audits by trading partners, provided those do not exceed international standards. Reduction in the number of outbreaks of reportable and immediately notifiable diseases.	Regulation not yet promulgated.

Regulations	Expected Results	Performance Measurement Criteria	Results Achieved
Seed Streamlining and Variety Registration – Amendment *(Seeds Regulations)*			
Under authority of the *Seeds Act*, a proposed regulatory amendment is designed to increase the ability of the variety registration system to respond to evolving agri-food sector needs. This initiative is also designed to strengthen the regulatory framework and facilitate the modernization of regulations, programs and associated consultative processes governing, in particular, the production, import, and sale of seed.	Regulatory burden on crop sectors will be reduced by establishing new registration options that remove the impediments to timely and cost-effective variety registration associated with pre-registration testing and merit assessment. It is expected that reduced regulatory burden would lead to more timely availability of varieties on the marketplace and would foster innovation and investment in variety development.	Eventual increase in the number and diversity of registered varieties that would better address producers' different agronomic needs and end users' unique quality needs.	Regulation not yet promulgated.
Enhanced Regulation of Fertilizers and Supplements (Fertilizers Regulations)			
The purpose of this regulatory initiative is to modernize the regulatory framework for fertilizer and supplement products in Canada. This initiative will strengthen the CFIA's ability to ensure that fertilizers and supplement products offered for sale in Canada are safe and efficacious and properly labelled while ensuring a timely product assessment and approval process.	Reduce administrative burden on industry. Enhance regulatory efficiency for regulated parties, with no compromise of health and environmental safety, including a more predictable process for industry. Increase program efficiency and enhance service delivery.	Timely access to innovative products. Increased industry compliance and stakeholder satisfaction.	Regulation not yet promulgated.
Toxic Substances Regulations (Health of Animals Act)			
The purpose of this initiative is to allow the CFIA to enhance its ability to take regulatory action in instances where animals are suspected of being, or are known to have been, contaminated by toxic substances, and where chemicals or toxins have the potential to affect animal health, and public health via the human food chain. In order to address this, the regulations would be amended to propose a list of toxic substances.	Control and eliminate contaminants in animals to protect animal health, consumer health, food safety, consumer confidence and trade. Provide a faster means of responding to emergency situations when animals have been contaminated with a toxic substance.	Faster and more targeted approach to identifying, controlling and mitigating instances of contamination by toxic substances.	Regulation not yet promulgated.

Regulations	Expected Results	Performance Measurement Criteria	Results Achieved
Hog Identification *(Health of Animals Act)*			
Because of greater risks in animal health and food safety issues due to increased human and animal movements worldwide, high dependency on exports, and increased expectations from consumers in industrialized countries, it is important to develop a national traceability program from the birth to the slaughter of pigs.	Minimize the impacts of a foreign animal disease outbreak or a food safety crisis by • Identifying correctly the source of the disease or contamination, and to establish correctly the control area; • Reducing the response time; • Helping to zone Canada in addressing the guidelines of the World Organisation for Animal Health, and meeting trading partners' expectations; and • Ensuring that the national traceability system is compatible with systems developed by other Canadian livestock sectors and packers.	Reduce producer losses during a disease outbreak. Maintenance of foreign markets.	Regulation not yet promulgated.
Plant Health Compensation Framework *(Plant Protection Act)*			
The CFIA, in consultation with its partners, is exploring a common regulatory framework which could be used for all compensation matters in cases where plant quarantine actions are taken for a specified pest.	Reduce the wait time in providing compensation. Improve the consistency in application. Clarify the circumstances under which compensation is granted. Encourage reporting and compliance.	Increased reporting of plant pests.	Development ongoing.
Dairy Products Regulations (DPR) *(Canada Agricultural Products Act)* and Food and Drug Regulations (FDR) *(Food and Drug Act)*			
The Regulations eliminate inconsistencies between the FDR and the DPR with respect to cheese compositional standards. These regulations clarify and provide consistency of the ingredients which may be used in the manufacture of cheese. The DPR also requires the licensing of cheese importers to provide for a fair and effective regulator regime and to monitor the application of safe and acceptable food handling practices.	Clear standards for the production of cheese. Equitable rules for both domestic processors and cheese importers.	Compliance will be assessed through the review and verification of documentation.	It is too early to assess the results since the amendments will not be in force until December 2008.

4. Other Items of Interest

4.1 Sound Agency Management

Sound management practices and good governance are the cornerstone for successful program delivery. The CFIA has been commended by Treasury Board Secretariat (TBS) for its excellence in management practices, and for meeting its accountabilities related to the delivery of its core mandate and program delivery.

In the fall of 2007, the CFIA conducted an in-depth review of the funding, relevance, and performance of all its programs and spending to ensure results and value for money from programs that are a priority for Canadians. Certain program changes related to equipment purchases, import document review, pre-market label approval, etc., which will be phased in gradually over the next few years, will better position the CFIA to meet Government priorities by providing programs and services that are streamlined and better focussed on the Agency's core mandate.

Also, the Management Accountability Framework (MAF) is a tool designed with the intent to achieve/improve on sound management practices and to provide Deputy Heads with the state of management practices in their organisations. The MAF attempts to identify the strength and weaknesses of organisations to enable identification of management priorities.

MAF Assessments are conducted annually by the TBS. Background information on the MAF can be found at: **http://publiservice.tbs-sct.gc.ca/maf-crg/index_e.asp**

In striving for excellence in all areas of management, the Agency is a strong supporter of the MAF. The CFIA recognises the need for sustained improvement and pro-actively demonstrates its capacity to build on its successes and its lessons learned. In 2007–2008, the CFIA received 5 "Strong", 12 "Acceptable" and 3 "Opportunities for Improvement" ratings from the TBS MAF V Assessment.[46] The Agency develops a yearly MAF Action Plan to re-dress the areas with an opportunity for improvement rating. The CFIA also includes in the MAF Action Plan, other areas of management that have received an Acceptable rating from TBS but, feels that it has the ability and capability to seek excellence on its management practices. The agency is currently working on its annual Action Plan to improve upon its overall ratings. This plan will be made available on the CFIA Web Site once it has been completed at **http://www.inspection.gc.ca/english/agen/mangese.shtml**

Key management initiatives were identified in the *2007–2008 Plans and Priorities* to ensure sound agency management. The CFIA has reported progress on these key management initiatives through the MAF Assessments. More information on the results of the Assessment, information is available on the TBS web site at: **http://www.tbs-sct.gc.ca/maf-crg/assessments-evaluations/2006/ica/ica_e.asp**.

Figure 8 provides an overview of CFIA's MAF V results as compared to that achieved in MAF IV. Also found under the GoC Mean column is information which provides a comparison of the Agency's performance against other Government departments and agencies.

[46] As a separate employer, the Agency is invited to participate in the yearly MAF Assessments, the CFIA must provide responses for all Areas of Management and self-assess on the following Areas of Management; 1, 8, 10, 11 & 21. The CFIA has chosen to self-assess according to TBS's methodologies and criterion.

Rating	*MAF V Last TBS Draft Ratings	MAF IV Final TBS Rating	GoC Mean 2007–2008
Strong	# 9 Effectiveness of Corporate Risk Management # 14 Effectiveness of Asset Management # 15 Effective Project Management # 16 Effectiveness of Procurement # 17 Effectiveness of Financial Management Control	# 9 Effectiveness of Corporate Risk Management # 13 Effectiveness of Information Technology Management # 14 Effectiveness of Asset Management # 15 Effective Project Management # 16 Effectiveness of Procurement # 17 Effectiveness of Financial Management Control	Areas of Management #'s 7, 9, 12, 14, 15, 16, & 17 are above by 1
Acceptable	# 1 Values-based Leadership & Organizational Culture # 3 Integrity of Corporate Management Structure # 4 Effectiveness of Extra-organizational Contributions # 6 Quality and Use of Evaluation # 7 Quality of Reporting to Parliament # 8 Managing Organizational Change # 10 Workplace is Fair # 11 Workplace is Productive # 12 Effectiveness of Information Management # 13 Effectiveness of Information Technology Management # 18 Effectiveness of Internal Audit Function # 21 Alignment of Accountability Instruments	# 3 Integrity of Corporate Management Structure # 4 Effectiveness of Extra-organizational Contributions # 5 Quality of Analysis in TB Submissions # 6 Quality and Use of Evaluation # 8 Managing Organizational Change # 18 Effectiveness of Internal Audit Function # 20 Citizen-focused Service	Areas of Management #'s 1, 3, 4, 6, 13, 18, & 19 are equal
Opportunity for Improvement	# 2 Utility of Corporate Performance Framework # 5 Quality of Analysis in TB Submissions # 20 Citizen-focused Service	# 2 Utility of Corporate Performance Framework # 7 Integration, Use, and Reporting of Performance Information (Financial and Non-Financial) # 12 Effectiveness of Information Management	Areas of Management #'s 2, 5, & 20 are below by 1
Attention Required	# 19 Effectiveness of Management of Security & Business Continuity This is a New Line of Evidence		

As a separate employer, the CFIA has chosen to provide a self-assessment on the following Areas of Management #'s 1, 8, 10, 11, & 21

*MAF final ratings rarely differ from TBS's last MAF draft rating.

Figure 8: MAF Crosswalk

The Agency will also focus on continued implementation of the CFIA Renewal Plan 2008–2013, which focuses on key themes including, recruitment, retention, learning and leadership, and development, as well as a supportive HR management architecture. The Plan was developed in consultation with over 2,000 employees in person and on-line and marks an important partnership between the Agency and its employees. It was released on March 31, 2008 and addresses a 2007–2008 Public Service Renewal priority. The 2008–2009 Renewal Plan commitments have been approved and are well underway.

The plan can be found on the Agency website at: **http://www.inspection.gc.ca/english/hrrh/renpla/renplane.shtml**

4.2 Details of Summary of Performance Results

Section 1.5.2 provides a Summary of Performance Results and Spending. A summary of the Agency's performance for three of its strategic outcomes (SO) in relation to their targets is provided in Section 2 of this document under the following tables: 2–1 (SO 1), 2–4 (SO 2) and 2–5 (SO 3). In some cases, these tables present the "rolled-up" performance results for groupings of individual indicators.

Table 4–1 below presents performance results for all indicators and targets, including the breakdown of any "rolled-up" indicators. The CFIA considers performance of +/- 1% as having been met. Detailed discussion of results can be found in Section 2 under each strategic outcome.

Table 4–1: Performance Results

Key Performance Indicator	Target	Results		
		2005–2006	2006–2007	2007–2008
Opportunity for Improvement = ✗ Met = ✓ (+/–1%) Exceeded = ★				
Program Activity: Food safety and public health				
Expected Result: Food leaving federally registered establishments for interprovincial and export trade or being imported into Canada is safe and wholesome.				
Federally registered food establishment compliance – Meat	≥98%	87% (no target set this year)	99% ✓	99% ✓
Federally registered food establishment compliance – Fish and seafood	≥98%	99% ✓	99% ✓	99% ✓
Federally registered food establishment compliance – Processed products	≥98%	97% ✓	96% ✗	99% ✓
Federally registered food establishment compliance – Shell egg	≥98%	98% ✓	99% ✓	99% ✓
Federally registered food establishment compliance – Dairy	≥98%	86% ✗	97% ✓	100% ★
Chemical residue testing compliance – Meat	≥95%	96% ✓	97% ★	96% ✓
Chemical residue testing compliance – Fish and seafood	≥95%	98% ★	96% ✓	95% ✓
Chemical residue testing compliance – Fresh fruits and vegetables	≥95%	99% ★	97% ★	95% ✓
Chemical residue testing compliance – Processed products	≥95%	99% ★	100% ★	99% ★
Chemical residue testing compliance – Honey	≥95%	94% ✓	92% ✗	84% ✗
Chemical residue testing compliance – Shell egg	≥95%	93% ✗	87% ✗	97% ★
Chemical residue testing compliance – Dairy	≥95%	99% ★	99% ★	97% ★
Expected Result: Food safety incidents in non-federally registered facilities and food products produced in them are addressed.				
Extent to which projects are developed to address major health risks identified through the science committee process in the area of chemical, microbiological, allergen and nutritional hazards.	Inspection strategies are developed to address 100% of major health risks identified through the science committees.	No target or actuals were reported in 2005–2006	94% ★ (target was ≥ 90% in 2006–2007)	100% ✓

Key Performance Indicator	Target	Results		
		2005–2006	2006–2007	2007–2008
Opportunity for Improvement = ✗ Met = ✓ (+/–1%) Exceeded = ★				
Expected Result: Food safety recalls and incidents are contained in a timely and appropriate manner.				
Time taken to issue Class I recall public warnings.	100% are issued within 24 hours of a recall decision.	100% ✓	100% ✓	100% ✓
Expected Result: Animal diseases that are transmissible to humans are effectively controlled within animal populations.				
BSE sample collection	In full accordance with the guidelines recommended by the World Organisation for Animal Health (OIE).	57,768 ★	55,420 ★	58,177 ★
# of BSE disease incidents	No known cases of BSE that fall outside accepted parameters.	0 ✓	0 ✓	0 ✓
Extent to which products of federally registered plants comply with SRM removal-related laws and regulations.	≥ 97% compliance	97% ✓	97% ✓	97% ✓
Extent to which cattle tagging is compliant with the regulations for animal identification.	≥ 97% compliance	99% ★	99% ★	99% ★

Key Performance Indicator	Target	Results		
		2005–2006	2006–2007	2007–2008
Opportunity for Improvement = ✗ Met = ✓ (+/–1%) Exceeded = ★				
Program Activity: Science and Regulation				
Expected Result: Deceptive and unfair market practices are deterred.				
Extent to which seed establishments and private labs inspected comply with federal requirements.	≥ 95% compliance	N'A	99% ★	99% ★
Extent to which non-pedigreed seed samples comply with CFIA quality standards.	≥ 85% compliance	86% ✓	88% ★	87% ★
Extent to which pedigreed seed samples comply with CFIA quality standards.	≥ 95% compliance	92% ✗	93% ✗	93% ✗
Extent to which pedigreed seeds tested comply with standards for varietal purity.	≥ 99% compliance	99% ✓	98% ✓	99% ✓
Expected Result: Other governments' import requirements are met				
Requirements of importing countries met – Meat	≥ 99% meet requirements	99% ✓	99% ✓	99.9% ✓
Requirements of importing countries met – Fish and seafood	≥ 99% meet requirements	99% ✓	98% ✓	99% ✓
Requirements of importing countries met – Egg	≥ 99% meet requirements	99% ✓	99% ✓	100% ✓
Extent to which plant export shipments meet the receiving country's phytosanitary requirements.	≥99% of plant export shipments meet the import requirements	99% ✓	99% ✓	100% ✓

Key Performance Indicator	Target	Results 2005–2006	Results 2006–2007	Results 2007–2008
Opportunity for Improvement = ✗ Met = ✓ (+/–1%) Exceeded = ★				
Program Activity: Animal and Plant Resource Protection				
Expected Result: Entry and domestic spread of regulated plant diseases and pests are controlled.				
Extent to which Agency data indicates the entry of new regulated diseases and pests into Canada (listed in the Regulated Pest List for Canada).	No entry of new regulated diseases and pests through regulated pathways.	4x ✗	2x ✗	3x ✗
Change in the presence of plant diseases or pests beyond the regulated areas.	No increase attributable to human activity.	Some increase ✗	Some increase ✗	Increase ✗
Extent to which annual planned pest surveys are completed in accordance with CFIA pest specific detection protocols.	100% of the overall annual planned pest surveys are completed or deemed acceptable per CFIA pest specific detection protocols.	100% ✓	100% ✓	100% ✓
Expected Result: Industry complies with federal acts and regulations regarding Canada's crops and forests.				
Extent to which bulk-blend fertilizers comply with efficacy standards and fertilizer-pesticide samples tested comply with safety standards (non-biotechnology product).	≥95% compliance rate for bulk blend fertilizer samples tested based on efficacy standards (non-biotechnology product).	82% ✗	78% ✗	83% ✗
	≥95% compliance rate for fertilizer-pesticide samples tested based on safety and efficacy standards (non-biotechnology product).	61% (no target set this year)	69% (no target set this year)	65% ✗
Extent to which fertilizer and supplement sample tests- (heavy metal, pathogen, and pesticide contamination) comply with safety standards.	95% compliance rate for fertilizer and supplement samples tested (heavy metal, pathogen, and pesticide contamination) based on safety standards.	96% ✓	95% ✓	92% ✗

Key Performance Indicator	Target	Results		
		2005–2006	2006–2007	2007–2008
Opportunity for Improvement = ✗ Met = ✓ (+/–1%) Exceeded = ★				
Expected Result: Entry and domestic spread of regulated animal diseases are controlled.				
Extent to which Agency data indicates the entry of new regulated animal diseases into Canada (listed diseases in OIE).	No evidence of entry of new regulated animal diseases into Canada through regulated pathways.	None ✓	None ✓	None ✓
Change of animals (domestic) with regulated animal disease found in Canadian herds/flocks.	No increase	Some increase ✗	Some increase ✗	No increase ✓
Expected Result: Industry complies with federal acts and regulations regarding Canada's livestock.				
Extent to which feed mills comply with the Feed Ban (without major deviations)	≥ 95% compliance	96% ✓	94% ✓	91% ✗
Extent to which feed mills comply with the Feeds Act including the Feed Ban (without major deviations).	≥ 96% compliance	NA	82% ✗	75% ✗
Extent to which feed renderers comply with the Feed Ban (without major deviations)	≥ 93% compliance	93% ✓	100% ★	96% ★
Extent to which feed renderers comply with the Feeds Act including the Feed Ban (without major deviations)	≥ 93% compliance	NA	100% ★	95% ★
Expected Result: Agricultural products meet the requirements of federal acts and regulations.				
Extent to which confined field trials of PNTs comply with CFIA requirements.	≥ 90% compliance	94% ★	94% ★	96% ★
Extent to which fertilizer and supplement sample tests comply with efficacy standards (novel supplements).	≥ 95% compliance	92% ✗	96% ✓	95% ✓

4.3 Key Risks and Challenges

The CFIA's capacity to achieve expected results is influenced by its ability to recognize, assess, and manage potential risks.

To support its commitment to risk-based planning and the integration of risk management into policy development and program design, delivery, and decision-making, the Agency maintains a Corporate Risk Profile that identifies the key strategic risks that may impact the Agency's ability to achieve its objectives. The profile is updated at appropriate intervals to reflect changes in the Agency's internal and external environments.

In its 2007–2008 Report on Plans and Priorities the Agency identified the following ten key risks and challenges, as outlined in the Agency's Corporate Risk Profile, and set out a strategic plan to address them:

Foodborne Illness

Canadians have access to a food supply that is safe and nutritious. The CFIA and its regulatory partners, industry, and consumer groups have worked to significantly reduce the threat of foodborne illness in Canada; however, the risk that such illness will arise always remains. The Agency has two specific concerns. The first relates to the non-federally registered sector-a sector that encompasses a large number of food manufacturing and distributing establishments. While the products of the sector are subject to regulation, non-federally registered establishments are not subject to the more comprehensive and preventative federal registration requirements for food safety. The second concern relates to the increasing volume and diversity of imported food products. Changing consumption and trade patterns have the potential to introduce new risks related to foodborne illness. Responsibility for this sector is shared with the provinces.

Emergence and/or Spread of Animal Diseases that Affect Humans (Zoonoses)

Animals, both domestic and wild, can transmit disease-causing agents to humans. BSE, avian influenza, West Nile virus, and new strains of rabies are examples of diseases of animal origin that can affect public health. Incomplete scientific knowledge around the nature and transmission of new and emerging diseases and inadequate animal and veterinary public health infrastructure in many countries adds to the complexity of managing them. The CFIA strives to protect Canadians from these types of diseases by working in close partnership with the animal health community, livestock producers, provinces, territories and the international community to promote early detection, reporting, and control of disease.

International Regulatory Framework

Retaining, strengthening and reinforcing rules- and science-based approaches within the international regulatory framework will help to achieve Canada's regulatory objectives and security and protect Canadian exporters from discriminatory and unnecessary barriers. The Agency must continue to work through international institutions to help develop and put into practice international rules. It must also engage in other international forums to promote the development of international standards and policies that are based on sound science to ensure that human, animal, ecosystem, and plant life and health are protected in a world where trade is expanding.

Domestic Legislative Framework

Outdated statutes and insufficient authority could impede the CFIA's ability to fully and effectively carry out its mandate. The CFIA will continue to look for ways to update and modernize its legislative framework.

Entry and/or Spread of Regulated Plant and Animal Pests and Diseases that Affect the Resource Base

A healthy and sustainable plant and animal resource base in Canada is critical to the environment, social objectives, and the economy. The CFIA, along with its partners, uses a number of ways to identify and reduce threats to the animal and plant resource base, ranging from surveys and movement control to eradication and emergency response. The Agency must continue such activities to actively address the potential environmental, social, and economic impact of plant and animal diseases and the many possible pathways for their entry into Canada.

Emergency Preparedness and Response

An effective emergency management system and the capacity to prevent, detect, and respond are crucial to maintaining Canada's public safety and security in the face of growing threats. The challenge is to maintain well-planned and exercised emergency response procedures to protect food, animals, and plants from accidental or intentional events. The CFIA must also be able to act rapidly and effectively in response to civil or national emergencies. The CFIA recognizes that strong cooperative relationships with its regulatory partners, including other countries, are critical to the success of its security measures.

Demand for New and Enhanced Services

Increased demand from producers and consumers for new and enhanced services will need to be addressed. For example, the CFIA must be able to respond to the growth in domestic industries, such as the opening of new meat establishments and more requests for product inspection and certification. The CFIA must also be able to respond to increasing consumer concerns and needs, such as demands for better information on nutrient content and methods of production (e.g., organic, grain-fed) for food products.

Performance Information

Performance information is needed to facilitate day-to-day and strategic decision making as well as the ability to report results to the Canadian public. The manner in which CFIA strives to obtain reliable and consistent electronic data that forms the basis for developing performance information must be addressed.

Financial and Human Resources

The CFIA constantly faces the challenge of managing resources so that it can meet ongoing activities, make strategic investments to redesign programs, and cope with animal and plant health emergencies. Specifically, staff with appropriate skills, knowledge, and abilities must be able to manage and perform regulatory duties in the face of ever changing risks and technologies. The CFIA is further challenged by the complexities of being a science-based organization. For this reason, it is extremely important for CFIA to integrate human resources and business planning in order to ensure effective recruitment, retention, and training of qualified employees, and successfully deliver on its priorities. CFIA has consulted with over 2,000 Agency employees and developed a CFIA Renewal Plan (**http://www.inspection.gc.ca/english/hrrh/renpla/renplane.shtml**) for 2008–2013 and must continue with its implementation.

Program Design

Technological and scientific advancements result in the creation of products that are new to the Canadian environment and agricultural systems. These developments often require new methods of detection, testing, and surveillance. The CFIA recognizes the need to review the way its programs are designed in light of technological and scientific advancements.

The CFIA recognizes that zero risk is unachievable given that some of these risks, such as the occurrence of foodborne illness and the entry and spread of plant and animal diseases will likely always exist. The Agency's goal is to reduce both the likelihood that these hazards will occur and the consequences should they occur by improving the Agency's capacity to identify and manage these risks if, and when, they occur. Progress on key risk mitigation strategies are detailed in Section 3.1 and identified with the following symbol " ✦."

4.4 Partners: Roles and Responsibilities

The CFIA's activities can be considerably complex, from ensuring food safety and public health to monitoring the health and production systems of plants and animals. These activities involve the expertise and interdependence of many groups and organizations charged with protecting the health of Canadians, our environment, and our economy. Following are some of the CFIA's many partners and stakeholders.

Industry

Farmers, processors, distributors and retailers must all work to ensure that food safety is maintained throughout the production and distribution continuum. Industry may also help to identify potential issues and assist in food safety investigations and recalls.

Farmers, growers, producers, importers, exporters, product developers/manufacturers and their industry associations all help introduce the proper use of agricultural inputs and protect plant and animal resources from health risks.

Consumers

Consumers are responsible for handling and preparing foods safely in the home. Safe practices, such as fully cooking ground beef, can eliminate the most common food-borne risks such as E. coli contamination, which makes education a vital part of any food safety strategy. Consumer complaints play a significant role in triggering food safety investigations by the CFIA. Consumers are also responsible for the proper use of agricultural products such as feed, fertilizer, or "plants with novel traits," and to follow the regulations to prevent the introduction and spread of plant and animal pests and diseases.

For example, in an area under quarantine for emerald ash borer, residents must take responsibility to follow the regulatory requirements and not move regulated products such as firewood, which could cause the pest to spread. Consumers are also responsible to ensure that their pets are vaccinated against rabies to keep from spreading the disease.

Health Professionals

When people fall ill, a physician is often the first point of contact for treatment and will inform public health officials if a food link is suspected. Also, the safety of food derived from animals depends on the health and well-being of livestock. Given their role in overseeing the use of veterinary drugs and in monitoring animal health, veterinarians are also critical to securing a safe food supply.

Provincial and Municipal Public Health Community

During a food-borne illness outbreak or investigation, these organizations collect evidence and conduct epidemiological investigations to show a link between a consumed food and a human illness. As this work informs many of the CFIA's investigation and recall activities, its speed and efficiency play a major role in shaping the CFIA's actions.

Provincial/Territorial Food Safety Departments

These partners are responsible for approximately 70 provincial statutes relating to food manufactured, traded, or sold within their respective borders. However, the capacity to carry out inspection and enforcement activities differs significantly from one jurisdiction to the next. Provinces and territories may also work with the CFIA on food-borne illness investigations.

Provincial and Municipal Agricultural and Environmental Departments

The Agency recognizes the value of working with provincial and municipal governments to address threats posed by plant and animal pests and diseases, including invasive species. By sharing expertise and acting jointly to prevent the introduction, spread, and impact of critical species, governments can protect Canadian resources. In addition, these partners play a significant role in overseeing agricultural products/inputs at specific points along the product continuum from application through disposal.

Federal Departments and Agencies

The CFIA is responsible for all federal food inspection and compliance activities under Health Canada's regulatory requirements, as well as for developing and enforcing all non-health and safety requirements that apply to food (e.g. truthful labelling, grade standards, compositional requirements). The CFIA is also responsible for assessing agricultural inputs for safety and quality, for overseeing regulations that protect plant and animal health, and for conducting associated inspections and audits. Other departments and agencies have the following related responsibilities.

Health Canada: Establishes regulations and standards on the safety and nutritional quality of food sold in Canada.

Pest Management Regulatory Agency: Establishes regulations and standards on the safety and use of pest control products in Canada.

Agriculture and Agri-Food Canada: Provides funding for initiatives that help to strengthen the national food safety system (e.g. on-farm food safety programs); provides high-level policy direction and support for initiatives on agricultural inputs, innovative agricultural products, and compensation associated with plant and animal health programs.

Public Health Agency of Canada: Implements national surveillance and alert systems for potential food-borne illness outbreaks.

Canadian Grain Commission: Regulates grain handling in Canada and establishes and maintenance of standards of quality for Canadian grains;

Public Safety Canada: Created in 2003 to ensure coordination across all federal departments and agencies responsible for national security and the safety of Canadians

Canada Border Services Agency: Provides integrated border services that support national security and public safety priorities and facilitate the movement of persons and goods, including animals and plants that meet all import requirements under the program legislation.

Fisheries and Oceans Canada: Develops and implements policies and programs in support of Canada's economic, ecological, and scientific interests in oceans and inland waters.

Natural Resources Canada: Champions innovation and expertise in earth sciences, forestry, energy, and minerals and metals to ensure the responsible and sustainable development of Canada's natural resources.

Canadian Forest Service: Promotes the responsible and sustainable development of Canada's forests and play a strong research role relating to plant health risks.

Foreign Affairs and International Trade Canada: Strengthens rules-based trading arrangements to expand free and fair market access at bilateral, regional, and global levels; works with a range of partners inside and outside government to increase economic opportunity and enhance security for Canada and for Canadians at home and abroad.

Environment Canada: Preserves and enhances the quality of the natural environment; conserves Canada's renewable resources; conserves and protects Canada's water resources; forecasts weather and environmental change; enforces rules relating to boundary waters; and coordinates environmental policies and programs for the federal government.

International Bodies

The CFIA works with a number of international bodies with the following related mandates.

World Trade Organization (WTO): Establishes the multilateral rules which govern global trade; the WTO Agreement on Sanitary and Phytosanitary Measures outlines how governments can adopt food safety and animal and plant health measures; without creating unnecessary barriers to trade.

World Organisation for Animal Health (OIE): Ensures transparency in the global status of animal disease and zoonotics; publishes health standards for international trade in animals and animal products. As a member country, Canada is a key player in OIE standard-setting processes and has access to early notification of animal disease outbreaks that may affect trade.

Codex Alimentarius Commission: Created by the Food and Agriculture Organization and the World Health Organization to develop international food standards to protect the health of consumers and to facilitate fair practices in international food trade.

International Plant Protection Convention: International body focussing on prevention and the introduction and spread of pests of plant products and the promotion of appropriate measures for their control.

North American Plant Protection Organization: Provides a continental approach to plant protection by coordinating the sharing of information and furthering common goals in regional plant health activities.

Organisation for Economic Co-operation and Development (OECD): Provides a setting where member governments compare policy experiences, seek answers to common problems, identify good practice and coordinate domestic and international policies to support sustainable economic growth, boost employment, raise living standards, maintain financial stability, assist other countries' economic development and contribute to growth in world trade. The OECD also shares expertise and exchanges views with other countries and economies. A CFIA representative has participated on the executive of the OECD Seed Schemes for the past 6 years. The Seed Schemes facilitate the international trade of seed by setting out commonly recognized rules and procedures among the 57 participating countries. The CFIA has also contributed to the development of international standards and programs for seeds, such as standards for canola.

4.5 Acronyms

AAFC	Agriculture and Agri-Food Canada
AI	Avian influenza
AP	Adventitious presence
APF	Agricultural Policy Framework
BCP	Business Continuity Planning Program
BSE	Bovine spongiform encephalopathy
CBRN	Chemical, Biological, Radiological and Nuclear
CBSA	Canada Border Services Agency
CCIA	Canadian Cattle Identification Agency
CFIA	Canadian Food Inspection Agency
CFS	Canadian Forest Service
CGC	Canadian Grain Commission
CODEX	Codex Alimentarius Commission
CRSB	Canadian Regulatory System for Biotechnology
CRTI	Chemical, Biological, Radiological and Radio-Nuclear Research and Technology Initiative
CSGA	Canadian Seed Growers Association
CVMA	Canadian Veterinary Medical Association
CWD	Chronic Wasting Disease
CWS	Canadian Wildlife Service
DFO	Fisheries and Oceans Canada
EC	Environment Canada
EU	European Union
F/P/T	Federal/Provincial/Territorial
FAA	Federal Accountability Act
FAD	Foreign Animal Disease
FADES	Foreign Animal Disease Emergency Support
FF&V	Fresh fruits and vegetables
FTEs	Full-time equivalent
HACCP	Hazard Analysis Critical Control Point
HC	Health Canada
HR	Human Resources
IAS	Invasive Alien Species
IC	Industry Canada
IM/IT	Information Management/Information Technology
LTCP	Long-term Capital Plan

MAF	Management Accountability Framework
MOU	Memorandum of Understanding
MRL	Maximum Residue Levels
MRRS	Management, Resources and Results Structure
NAAHP	National Aquatic Animal Health Program
NCE	Network of Centres of Excellence
NERS	National Emergency Response System
NPCSC	National Procurement and Contracting Services
NRCAN	Natural Resources Canada
OFFS	On-Farm Food Safety
OIE	World Organisation for Animal Health
OTF	Organic Production System Task Force
PAA	Program Activity Architecture
PHAC	Public Health Agency of Canada
PMF	Performance Management Framework
PNTs	Plants with novel traits
PSAT	Public Security and Anti-Terrorism
PSC	Public Safety Canada
QA	Quality Assurance
RPP	Report on Plans and Priorities
SARS	Severe Acute Respiratory Syndrome
SOP	Standard Operating Procedure
SPP	Security and Prosperity Partnership of North America
SPS	Sanitary and Phytosanitary
SRM	Specified risk material
S&T	Science and technology
TBS	Treasury Board Secretariat
TSEs	Transmissible spongiform encephalopathies
WTO	World Trade Organization

4.6 Web Links

4.6.1 CFIA Links

Canadian Food Inspection Agency	http://www.inspection.gc.ca
Animals	http://www.inspection.gc.ca/english/anima/animae.shtml
Aquatic Animals	http://www.inspection.gc.ca/english/anima/aqua/aquae.shtml
Avian Influenza	http://www.inspection.gc.ca/english/anima/heasan/disemala/avflu/avflue.shtml
Bovine Spongiform Encephalopathy (BSE)	http://www.inspection.gc.ca/english/anima/heasan/disemala/bseesb/bseesbfse.shtml
BSE in North America	http://www.inspection.gc.ca/english/anima/heasan/disemala/bseesb/bseesbindexe.shtml
Canadian Regulatory Strategy for Biotechnology	http://www.inspection.gc.ca/english/agen/eval/rege.shtml
CFIA Renewal Plan	http://www.inspection.gc.ca/english/hrrh/renpla/renplane.shtml
Containment Standards for Facilities Handling Plant Pests	http://www.inspection.gc.ca/english/sci/bio/plaveg/placone.shtml
Corporate Business Plan	http://www.inspection.gc.ca/english/corpaffr/ar/artoce.shtml
Delegated Financial Authorities	http://www.inspection.gc.ca/english/agen/eval/finance.shtml
Destination Inspection Service	http://www.inspection.gc.ca/english/fssa/frefra/dis/dise.shtml
Food	http://www.inspection.gc.ca/english/fssa/fssae.shtml
Food Recalls and Allergy Alerts	http://www.inspection.gc.ca/english/corpaffr/recarapp/recaltoce.shtml
Food Safety Web Wheel	http://www.inspection.gc.ca/english/corpaffr/educ/gamejeu/wheeroue.shtml
Human Resources Management	http://www.inspection.gc.ca/english/agen/eval/hrmangene.shtml
Invasive Alien Species	http://www.inspection.gc.ca/english/plaveg/invenv/invenve.shtml
Livestock Feeds	http://www.inspection.gc.ca/english/anima/feebet/feebete.shtml
MAF Action Plan	http://www.inspection.gc.ca/english/agen/mangese.shtml
Physical Security	http://www.inspection.gc.ca/english/agen/eval/physece.shtml
Plant Pests	http://www.inspection.gc.ca/english/plaveg/pestrava/pestravae.shtml
Plants	http://www.inspection.gc.ca/english/plaveg/plavege.shtml
Prosecution Bulletins	http://www.inspection.gc.ca/english/corpaffr/projud/projude.shtml

Rabies	http://www.inspection.gc.ca/english/anima/heasan/disemala/rabrag/rabrage.shtml
Regulating Agricultural Biotechnology	http://www.inspection.gc.ca/english/sci/biotech/bioteche.shtml
Shellfish Sanitation Program	http://www.inspection.gc.ca/english/agen/eval/cssppccsm/shemosse.shtml

4.6.2 Other Links

Controlled Risk (World Organisation for Animal Health)	http://www.oie.int/eng/normes/en_mcode.htm
CRTI Summer Symposium Proceedings	http://www.css.drdc-rddc.gc.ca/crti/publications/symposium/2008/CRTI_symposium_proceedings_2008-eng.pdf
Healthy Canadians	http://www.healthycanadians.gc.ca
MAF Assessments	http://www.tbs-sct.gc.ca/maf-crg/assessments-evaluations/2006/ica/ica_e.asp
PrioNet	http://www.prionetcanada.ca
TBS Horizontal Initiatives	http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/profil_e.asp

4.7 List of Figures

Figure 1: CFIA's Organizational Chart 7
Figure 2: CFIA Area and Regional Offices 7
Figure 3: CFIA's 2007–2008 Program Activity Architecture 8
Figure 4: Reporting Framework for Strategic Outcome 1 24
Figure 5: Reporting Framework for Strategic Outcome 2 32
Figure 6: Reporting Framework for Strategic Outcome 3 39
Figure 7: Reporting Framework for Strategic Outcome 4 47
Figure 8: MAF Crosswalk 96

4.8 List of Tables

Table 1–1: Financial and Human Resources Managed by CFIA 9
Table 1–2: Linking Performance to Strategic Outcomes and Priorities 10
Table 2–1: Overview of Data Systems and Process Controls Ratings 18
Table 2–2: Summary of Performance Information for Food Safety and Public Health 26
Table 2–3: Federally Registered Establishment Compliance Rates by Food Program 28
Table 2–4: Chemical Residue Testing Compliance by Food Program 28
Table 2–5: Summary of Performance Information for Science and Regulation 34
Table 2–6: Summary of Performance Information for Animal and Plant Resource Protection 41
Table 3–1: Comparison of Planned to Actual Spending (including FTEs) 60
Table 3–2: Voted and Statutory Items 61
Table 3–3: Sources of Respendable and Non-respendable Revenue 62
Table 3–4: Policy on Service Standards for External Fees 63
Table 3–5: Details on Transfer Payment Programs (TPPs) 67
Table 3–6: CFIA Horizontal Initiatives for 2007–2008 86
Table 3–7: Internal Audits and Evaluations 89
Table 3–8: Agency Regulatory Plans 91
Table 4–1: Performance Results 98